

MEMO

Date: January 5, 2006

To: Regional Council
Community, Economic and Human Development Committee (CEHD)
Energy and Environment Committee (EEC)
Transportation and Communication Committee (TCC)

From: Mark Pisano

Subject: CEQA/Housing/Planning Proposals and Summary

SUMMARY

Staff has provided periodic reports to the Regional Council and policy committees on various statewide reform discussions covering the California Environmental Policy Act (CEQA), transportation planning, housing production, and public finance. This report compiles current proposals and working papers on these topics.

BACKGROUND

The Schwarzenegger Administration has concluded the formal efforts of its CEQA Advisory Group. Over the course of the group's deliberations during the last year, the charge from the administration has expanded to include not only housing development and environmental protection, but also, more generally, planning, development and transportation issues. The basic premises involved in the discussions are that a statewide planning and regulatory scheme should facilitate the following:

- Housing production adequate to meet the statewide, regional, and local need
- Protection of the environment focusing on habitat and open space
- Protection of productive farmland
- Orderly and efficient land use and development that facilitates transportation and air quality performance

Further, these basic objectives should be met by undertaking planning processes that are geared to meet distinct, quantifiable performance standards for housing, environmental protection, and transportation. Finally, the working group process has sought to bring forward finance proposals that support these various activities.

The following documents are included, which, taken as a whole, encapsulate the current status of the discussions:

- SB 1024 (Perata), State Infrastructure Bond Measure
- Go California (Administration proposal on transportation infrastructure)
- Economic Impacts and Financial Incentives Matrix (Finance/fiscal incentives sub-group of CEQA)

MEMO

Advisory Group)

- SCAG matrix on additional finance options (SCAG staff)
- Proposal for Qualified Programmatic Plans (Planning sub-group of CEQA Advisory Group)
- Environmental groups circular letter on CEQA concepts
- Housing Needs Summary (Housing Projections subgroup of CEQA Advisory Group)

At this time, there are not additional meetings of the CEQA Advisory Group scheduled. SCAG staff expects that the administration and other participants will come forward shortly with detailed legislative proposals, with subsequent discussions to follow.

AMENDED IN SENATE SEPTEMBER 8, 2005

AMENDED IN SENATE AUGUST 29, 2005

AMENDED IN SENATE MAY 12, 2005

AMENDED IN SENATE APRIL 26, 2005

AMENDED IN SENATE APRIL 14, 2005

AMENDED IN SENATE APRIL 12, 2005

SENATE BILL

No. 1024

Introduced by Senators Perata and Torlakson
(Principal coauthors: Senators Migden, Murray, and Soto)
(Coauthors: Senators Alquist, Kehoe, Lowenthal, and Machado)

February 22, 2005

An act to add Chapter 12.49 (commencing with Section 8879.20) to Division 1 of Title 2 of the Government Code, *to add Chapter 3.6 (commencing with Section 50535) to Part 2 of Division 31 of the Health and Safety Code, and to add and repeal Section 2704.21 of, and to repeal Chapter 20 (commencing with Section 2704) of Division 3 of, the Streets and Highways Code*, relating to public works and improvements by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, *making an appropriation therefor*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1024, as amended, Perata. Public works and improvements: bond measure.

(1) Existing law provides various funding sources for transportation purposes.

This bill would enact the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005 to authorize ~~—\$7,825,000,000~~ \$10,275,000,000 in state general obligation bonds for specified purposes, including the state transportation improvement program, *passenger rail improvements*, levee improvements, *flood control*, restoration of Proposition 42 transportation funds, port infrastructure and security projects, trade corridors of significance, emissions reduction projects, environmental enhancement projects, ~~—and transit-oriented development~~, transportation needs in cities, counties, and cities and counties that meet certain requirements relative to provisions of housing needs in their communities, *and housing, regional growth, and infill development purposes*, subject to voter approval.

This bill would require the Secretary of State to submit the proposed bond measure to the voters at the November 7, 2006, election.

This bill would establish the Transit-Oriented Development Implementation Program, to be administered by the Department of Housing and Community Development. The bill would create the Transit-Oriented Development Fund in the State Treasury as a continuously appropriated fund, thereby making an appropriation, and would provide for certain moneys to be deposited in the fund. These provisions would become operative only if the voters approve the bond act.

This bill would also provide for the repeal of certain provisions of existing law relating to the High-Speed Passenger Train Bond Act for the 21st Century if the voters approve this bond act.

This bill would enact other related provisions.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: ~~no~~ yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 12.49 (commencing with Section
2 8879.20) is added to Division 1 of Title 2 of the Government
3 Code, to read:

1 CHAPTER 12.49. THE SAFE FACILITIES, IMPROVED MOBILITY,
2 AND CLEAN AIR BOND ACT OF 2005
3

4 Article 1. General Provisions
5

6 8879.20. (a) This chapter shall be known as the Safe
7 Facilities, Improved Mobility, and Clean Air Bond Act of 2005.

8 (b) This chapter shall only become operative upon adoption by
9 the voters at the November 7, 2006, election.

10 8879.21. The Legislature finds and declares all of the
11 following:

12 (a) Between 1970 and 1995, California's population increased
13 60 percent and the number of vehicle miles traveled on the state's
14 highway system increased 170 percent, straining the state's
15 already burdened transportation system and increasing the state's
16 serious congestion problems.

17 (b) The volume of United States trade passing through
18 California's ports in the year 2000 was valued at \$439 billion and
19 estimated to be 40 percent of all goods entering the country.
20 Trade in California is estimated to double between now and the
21 year 2020.

22 (c) Congestion in and around California's seaports, airports,
23 and other transportation terminals threatens the state's economy,
24 increases traffic problems, and results in poor air quality,
25 particularly in those communities near port and terminal
26 facilities.

27 (d) California is now home to six of the nation's 25 most
28 congested urban areas. Los Angeles, San Francisco, San Diego,
29 Riverside, San Jose, and Sacramento are on this dubious list. This
30 level of congestion costs Californians millions of dollars in lost
31 time, lost production, and fuel costs.

32 (e) Despite increased pressures on the state's transportation
33 system, funds intended for investment in the system have not
34 materialized in recent years, delaying capacity and safety
35 improvements.

36 (f) During the 2003-04 and 2004-05 fiscal years, \$2.1 billion
37 in funding intended to be transferred to the Transportation
38 Improvement Fund (TIF) was retained in the General Fund,
39 denying the state's transportation system funds for improvements

1 and obligating the General Fund to repay those dollars in
2 2007-08 and 2008-09.

3 (g) Funding shortfalls do not just impact traditional
4 transportation facilities. According to the Department of Water
5 Resources (DWR), the absence of a dedicated funding stream to
6 improve the state's 1,600 miles of levees has forced maintenance
7 to be deferred, thereby jeopardizing the structural integrity of the
8 levees that provide flood protection for 200,000 structures,
9 500,000 people, and two million acres of farm land, estimated to
10 be valued at \$47 billion.

11 (h) (1) *The recently-completed environmental studies by the*
12 *High-Speed Rail Authority determined all of the following:*

13 (A) *By the year 2020, there will be 11 million more people*
14 *living in California, who will take 100 million more intercity*
15 *trips, which will clog up our already congested freeways and*
16 *airports.*

17 (B) *A new state-of-the-art high-speed train network serving all*
18 *major metropolitan areas of the state will best serve the increase*
19 *in intercity travel demands of the future.*

20 (C) *The high-speed train network will cost less than one-third*
21 *of the cost to serve intercity trips on the highways or at the*
22 *airports.*

23 (D) *The high-speed train network is far more safe and reliable*
24 *than the automobile and the plane.*

25 (E) *The high-speed train network will be more*
26 *environmentally friendly, save energy, and reduce air pollution.*

27 (F) *The high-speed train network will improve the state's*
28 *economy and create 450,000 permanent jobs in California.*

29 (2) *Therefore, the construction of the high-speed train network*
30 *as defined in the authority's final environmental impact report*
31 *completed in 2005 is a high-priority transportation infrastructure*
32 *project for the state and should be constructed on an incremental*
33 *basis. This bond measure would provide the funding necessary*
34 *for the first phase and the next four years of activities that can be*
35 *accomplished towards building the high-speed train network,*
36 *while providing rail improvements to improve the flow and*
37 *enhance the safety of passenger and freight rail services in*
38 *California.*

39 (h)

(i) Enactment of the Safe Facilities, Improved Mobility and Clean Air Act of 2005 would provide needed investment to make the necessary improvements to relieve traffic congestion, increase mobility, improve the state's trade corridors, strengthen the state's levees, improve air quality, provide incentives for the production of affordable housing, and keep California's economy strong.

8879.22. As used in this chapter, the following terms have the following meanings:

(a) "Board" means any department receiving an allocation from the Department of Finance.

(b) "Committee" means the Safe Facilities, Improved Mobility, and Clean Air Finance Committee created pursuant to Section 8879.27.

(c) "Fund" means the Safe Facilities, Improved Mobility, and Clean Air Bond Fund of 2005 created pursuant to Section 8879.23.

Article 2. Safe Facilities, Improved Mobility, and Clean Air Bond Fund of 2005 and Program

8879.23. The Safe Facilities, Improved Mobility, and Clean Air Bond Fund of 2005 is hereby created in the State Treasury. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter are hereby appropriated, without regard to fiscal years, to the Department of Finance for allocation in the following manner:

(a) One billion five hundred million dollars (\$1,500,000,000) for projects in the State Transportation Improvement Program, to augment funds otherwise available for this purpose from other sources. The funds provided by this subdivision shall be deposited in the Transportation Facilities Account which is hereby created in the fund, and shall be available for appropriation to the Department of Transportation and for allocation by the California Transportation Commission.

~~(b) One billion dollars (\$1,000,000,000) shall be available to the Department of Water Resources for the inspection, evaluation, improvement, and strengthening of the state's federally designated project levees. The funds shall be deposited in the Levee Facilities Account which is hereby created in the~~

1 ~~fund. The funds shall be made available for levee improvements~~
2 ~~on a matching basis, with the share provided from these bond~~
3 ~~revenues to pay for no more than 75 percent of a project's costs,~~
4 ~~and with the remaining matching funds to be provided in the~~
5 ~~form of local or regional assessment fee revenues, other local~~
6 ~~funds, or any federal funds available for those purposes.~~

7 *(b) (1) On billion dollars (\$1,000,000,000) shall be deposited*
8 *in the Flood Control Account, which is hereby created in the*
9 *fund. The money in the account shall be available to the*
10 *Department of Water Resources, the State Reclamation Board, or*
11 *any successor agency, upon appropriation by the Legislature, for*
12 *the inspection, evaluation, improvement, construction,*
13 *modification, and relocation of flood control levees, weirs, or*
14 *bypasses constructed in cooperation with the United States,*
15 *including related environmental mitigations and related*
16 *infrastructure relocations.*

17 *(2) The Legislature may enact any legislation as is necessary*
18 *to implement this subdivision.*

19 *(c) Two billion three hundred million dollars (\$2,300,000,000)*
20 *for restoration of Proposition 42 (Article XIX B) revenues, to be*
21 *deposited in the Proposition 42 Repayment Account, which is*
22 *hereby created in the fund. Money deposited in the account shall*
23 *be used by the Controller, in lieu of moneys from the General*
24 *Fund, to meet the transfer obligations to the Transportation*
25 *Deferred Investment Fund specified in Sections 7105 and 7106*
26 *of the Revenue and Taxation Code as a result of suspending the*
27 *transfer of moneys from the General Fund to the Transportation*
28 *Investment Fund pursuant to Sections 14557.1 and 14558 of the*
29 *Government Code with respect to the 2003-04 and 2004-05 fiscal*
30 *years. Funds deposited in the Transportation Deferred Investment*
31 *Fund shall be allocated as provided in Sections 7105 and 7106 of*
32 *the Revenue and Taxation Code as those sections read on*
33 *January 1, 2005.*

34 *(d) Two billion five hundred million dollars (\$2,500,000,000)*
35 *to be deposited in the California Ports Infrastructure, Security,*
36 *and Air Quality Improvement Account, which is hereby created*
37 *in the fund. The money in the account shall be available as*
38 *follows:*

39 *(1) Two billion dollars (\$2,000,000,000) shall be transferred to*
40 *the Global Gateways Improvement Fund, which is hereby*

1 created. The money in this fund shall be available for allocation
2 by the California Transportation Commission for infrastructure
3 improvements along federally-designated "Trade Corridors of
4 National Significance" in this state or along other corridors
5 within this state that have a high volume of freight movement, as
6 determined by the commission. Applicants for these funds shall
7 provide matching funds from other revenues, in a percentage
8 amount to be determined by the commission. In determining
9 projects eligible for funding, the commission shall consult the
10 Global Gateways Development Program report prepared by the
11 Business, Transportation and Housing Agency pursuant to SCR
12 96 (Resolution Chapter 158, Statutes of 2000) or trade corridor
13 improvement projects identified in an approved regional
14 transportation plan. Eligible projects for these funds include all
15 of the following:

16 (A) Highway capacity improvements and operational
17 improvements to more efficiently accommodate the movement of
18 freight, particularly for ingress and egress to and from the state's
19 seaports, land ports of entry, and airports, and to relieve traffic
20 congestion along major trade or goods movement corridors.

21 (B) Freight rail system improvements to enhance the ability to
22 move goods from seaports, land ports of entry, and airports to
23 warehousing and distribution centers throughout California,
24 including projects that separate rail lines from highway traffic
25 and other projects that improve the efficiency and capacity of the
26 rail freight system.

27 (C) Projects to enhance the capacity and efficiency of ports.

28 (2) Four hundred million dollars (\$400,000,000) shall be
29 available for transfer to the Carl Moyer Memorial Air Quality
30 Standards Attainment Trust Fund, created pursuant to Section
31 44299 of the Health and Safety Code. Funds under this paragraph
32 shall be available for allocation by the State Air Resources Board
33 to reduce covered emissions from a covered source, as those
34 terms are defined in paragraphs (5) and (7) of subdivision (a) of
35 Section 44275 of the Health and Safety Code, relative to sources
36 used primarily in the operations of ports in this state.

37 (3) One hundred million dollars (\$100,000,000) shall be
38 available to the California Infrastructure and Economic
39 Development Bank to be allocated, as grants, for port, harbor,
40 and ferry terminal security improvements. The money made

1 available under this paragraph shall be continuously appropriated
2 to the bank without regard to fiscal years. Eligible applicants
3 shall be publicly owned ports, harbors, and ferry boat and ferry
4 terminal operators, which may submit applications for the
5 following types of projects:

6 (A) Video surveillance equipment.

7 (B) Explosives detection technology, including, but not
8 limited to, X-ray devices.

9 (C) Cargo scanners.

10 (D) Radiation monitors.

11 (E) Thermal protective equipment.

12 (F) Site identification instruments capable of providing a
13 fingerprint for a broad inventory of chemical agents.

14 (G) Other devices capable of detecting weapons of mass
15 destruction using chemical, biological, or other similar
16 substances.

17 (H) Other security equipment to assist in any of the following:

18 (i) Screening of incoming vessels and incoming or outbound
19 cargo.

20 (ii) Monitoring the physical perimeters of harbors, ports, and
21 ferry terminals.

22 (iii) Providing or augmenting onsite emergency response
23 capability.

24 (I) Overweight cargo detection equipment, including, but not
25 limited to, intermodal crane scales and truck weight scales.

26 (J) Developing disaster preparedness or emergency response
27 plans.

28 (e) One hundred million dollars (\$100,000,000) to be
29 deposited in the Transportation Project Enhancement and
30 Mitigation Account, which is hereby created in the fund. The
31 money in the account shall be available for transfer to the
32 Environmental Enhancement and Mitigation Program Fund
33 created pursuant to Section 164.56 of the Streets and Highways
34 Code, for allocation to projects pursuant to that section.

35 (f) (1) Four hundred twenty-five million dollars (\$425,000,000)
36 to be deposited in the Affordable Housing Incentive Program
37 Account, which is hereby created in the fund. Funds shall be
38 available, upon appropriation, to the California Transportation
39 Commission for the purpose of providing transportation funding
40 grants, upon application, to cities, counties, and cities and

1 counties that meet a significant portion of their overall and
2 affordable housing needs. In order to be eligible for funds
3 pursuant to this subdivision, a city, county, or city and county
4 shall meet all of the following criteria:

5 (A) The city, county, or city and county has adopted a revised
6 housing element in accordance with Section 65588 that the
7 Department of Housing and Community Development has
8 determined pursuant to Section 65585 to be in substantial
9 compliance with the requirements of Article 10.6 (commencing
10 with Section 65580) of Chapter 3 of Division 1 of Title 7. For the
11 purposes of this paragraph, an adopted housing element that has
12 been self-certified pursuant to Section 65585.1 shall be deemed
13 to have been approved by the department, unless a court finds
14 that the jurisdiction's housing element does not substantially
15 comply with that article.

16 (B) The city, county, or city and county has met, as
17 determined by the Department of Housing and Community
18 Development in accordance with the forms and definitions
19 determined by the department pursuant to Section 65400, at least
20 80 percent of its annualized overall housing need during the
21 preceding year or 80 percent of its overall housing need from the
22 beginning of the planning period, as determined pursuant to
23 Section 65584.

24 (C) The city, county, or city and county has met, as
25 determined by the Department of Housing and Community
26 Development in accordance with the forms and definitions
27 determined by the department pursuant to Section 65400, at least
28 30 percent of its annualized housing need for each of the very
29 low, low-, and moderate-income categories during the preceding
30 year or 30 percent of its overall housing need in each of the very
31 low, low-, and moderate-income categories from the beginning
32 of the planning period, as determined pursuant to Section 65584.

33 (2) The Department of Housing and Community Development
34 shall report annually to the California Transportation
35 Commission a list of cities, counties, or cities and counties that
36 have met the requirements of paragraph (1).

37 (3) The California Transportation Commission shall award
38 funds available under this section over a five-year period.

39 (4) Funds awarded pursuant to this section shall be used for
40 improvements to neighborhood streets and roads. Improvements,

1 as used in this paragraph, mean those activities described in
2 subdivision (e) of Section 7104 of the Revenue and Taxation
3 Code.

4 *(g) Nine hundred seventy-five million dollars (\$975,000,000)*
5 *to be deposited in the Regional Housing and Community Growth*
6 *Incentive Account, which is hereby created in the fund. The*
7 *money in the account shall be available as follows:*

8 *(1) Twenty five million dollars (\$25,000,000) shall be*
9 *available to the secretary for grants for the development of*
10 *regional growth plans in accordance with the following*
11 *schedule:*

12 *(A) Grants to regional agencies with a population of one*
13 *million or more: fifteen million dollars (\$15,000,000).*

14 *(B) Grants to regional agencies with a population of under*
15 *one million: ten million dollars (\$10,000,000).*

16 *(2) Seventy five million dollars (\$75,000,000) shall be*
17 *available to the secretary for grants to regional agencies for the*
18 *establishment of revolving funds and for grants, to pay the costs*
19 *incurred by local governments within the region to identify,*
20 *review, and adopt any land use policies including amendments to*
21 *general plans, community or neighborhood plans, zoning codes,*
22 *subdivision codes, guidelines or planning policies necessary to*
23 *authorize urban infill development in an area designated for that*
24 *development in a regional growth plan. Eligible costs include*
25 *those associated with compliance with Division 13 (commencing*
26 *with Section 21000) of the Public Resources Code and costs*
27 *necessary to conduct public outreach programs and facilitate*
28 *citizen involvement in the plan development and approval*
29 *process. Any fees recovered from project applicants that benefit*
30 *from the plans and environmental review funded under this*
31 *subdivision shall be transferred to the regional agency for use*
32 *for the purposes of this subdivision or returned to the state at*
33 *such time and under such terms as the secretary determines that*
34 *further use of loan funds for these purposes is not required.*

35 *(3) Two hundred million dollars (\$200,000,000) shall be*
36 *available to the Secretary of Resources for competitive grants*
37 *based on regional growth plans as follows:*

38 *(A) Grants shall be for the acquisition of wildlife habitat, open*
39 *space, and easements on agricultural land consistent with an*
40 *adopted and certified regional growth plan that contains a*

1 resource conservation element that analyzes and identifies
2 mitigation for significant impacts on those resources considered
3 in the regional growth plan.

4 (B) The regional agency may allow project applicants whose
5 projects conform to the regional growth strategy to mitigate all
6 or a portion of their impacts on wildlife habitat, agricultural
7 lands and open space by payment of a fee, equal to the
8 proportional impacts of the project.

9 (C) The Secretary of Resources shall award grants pursuant to
10 this paragraph based on the applicant's demonstration, as
11 reviewed by the appropriate department within the Resources
12 Agency, that the grant will promote the following:

13 (i) Long term sustainable protection of wildlife habitat,
14 wildlife corridors, and prime agricultural land within the region.

15 (ii) The use of the grant funds will assist in the implementation
16 of land use policies of the regional growth plan, state planning
17 priorities specified pursuant to Section 65041.1 of the
18 Government Code, and with state policies for regional growth
19 that are consistent with those priorities, including the provisions
20 of SB 832 of the 2005-06 Regular Session, if that legislation is
21 enacted.

22 (iii) The use of the grant funds is consistent with other wildlife
23 protection plans and strategies within the region including any
24 natural community conservation plans, habitat conservation
25 plans, state approved open space plans, or other regional
26 conservation plans.

27 (iv) Project applicants are required to pay a fee equal to their
28 proportional impacts.

29 (v) All fees paid pursuant to paragraph (iv) are used by the
30 regional agencies for additional conservation projects consistent
31 with the provisions of this paragraph or are returned to the state
32 under such terms as the secretary shall determine.

33 (D) No grant shall be made until an implementing agreement
34 has been executed between the secretary and the regional agency
35 that includes:

36 (i) Provisions identifying the conservation goals, scope and
37 geographical coverage of the plan.

38 (ii) Provisions identifying which public agencies or nonprofit
39 organizations will be responsible for acquisition, management,
40 and monitoring of conservation lands and easements under the

1 grant. To the extent feasible, public agencies responsible for
2 similar conservation activities should be used wherever that
3 capacity already exists in the region.

4 (iii) Provisions to ensure the monitoring of easements and the
5 protection of habitat values on lands acquired.

6 (iv) Provisions for the determination of mitigation credits and
7 fees, where applicable, and for the use of fees for additional
8 conservation expenditures under the plan.

9 (E) The secretary may impose such other conditions as are
10 necessary to meet the goals of this subdivision.

11 (4) (A) Four hundred twenty-five million dollars
12 (\$425,000,000) shall be available to the secretary for competitive
13 infill incentive grants to local public agencies that meet the
14 following criteria:

15 (i) The local public agency is included in a regional growth
16 plan.

17 (ii) The local public agency has conformed its local planning
18 to the regional growth plan by adopting any land use policies
19 including amendments to its general plan, community or
20 neighborhood plans, zoning codes, subdivision codes, guidelines
21 and policies necessary to provide for growth in those areas
22 designated for urban development and prohibiting or limiting
23 growth in those areas designated for other than urban uses
24 consistent with the regional growth plan.

25 (iii) The region meets the requirements for local plan
26 consistency for that round of grant funding.

27 (B) Grants pursuant to this paragraph shall be issued in four
28 annual grant cycles beginning two years after the enactment of
29 this chapter. To be eligible for a grant cycle, local public
30 agencies covering not less than the percentage of population in
31 the applicable region specified below must have met the
32 requirements of paragraph (ii). Conformity requirements for
33 each cycle are as follows:

34 (i) Grant cycle 1: 25 percent.

35 (ii) Grant cycle 2: 50 percent.

36 (iii) Grant cycle 3: 75 percent.

37 (iv) Grant cycle 4: 90 percent.

38 (C) The secretary shall establish additional criteria for the
39 award of infill incentive grants to local agencies based on the
40 degree to which the grants will assist the local public agency in

1 *increasing infill development and urban revitalization in an area*
2 *designated by the regional growth plan for such development.*

3 *(D) Grant funds may be used for any capital outlay purpose*
4 *consistent with this subdivision including, but not limited to:*

5 *(i) Creation, development and rehabilitation of urban parks,*
6 *river parkways, and other public recreational facilities.*

7 *(ii) Urban greening projects including tree planting,*
8 *community landscaping and other improvements to enhance the*
9 *enjoyment and livability of urban neighborhoods.*

10 *(iii) Water, sewer, or other public utility infrastructure costs*
11 *associated with infill development.*

12 *(iv) Street, road or other transportation improvements*
13 *including transit improvements, bikeways, trolleys, and*
14 *pedestrian facilities.*

15 *(5) Two hundred million dollars (\$200,000,000) shall be*
16 *transferred to the Housing Rehabilitation Loan Fund to be*
17 *expended pursuant to the Multifamily Housing Program*
18 *authorized by Chapter 6.7 (commencing with Section 50675) of*
19 *Part 2 of Division 31 of the Health and Safety Code to be used*
20 *for projects that meet either of the following criteria:*

21 *(A) The project is located in an area designated for infill*
22 *development by a regional growth plan.*

23 *(B) The project qualifies for an exemption from the California*
24 *Environmental Quality Act pursuant to Sections 21159.22,*
25 *21159.23, or 21159.24 of the Public Resources Code.*

26 *(6) Fifty million dollars (\$50,000,000) shall be transferred to*
27 *the Orphan Share Reimbursement Trust Fund to be expended by*
28 *the administrator pursuant to the provisions of the Orphan Share*
29 *Reimbursement Trust Fund established pursuant to Article 7.8*
30 *(commencing with section 25390) of Chapter 6.8 of Division 20*
31 *of the Health and Safety Code to be used for projects that are*
32 *located in an area designated for infill development by a*
33 *regional growth plan.*

34 *(7) The following definitions apply to this subdivision:*

35 *(A) "Secretary" means the Secretary of Business,*
36 *Transportation and Housing.*

37 *(B) "Neighborhood plan" means a plan that meets the*
38 *requirements of Section 65458 of the Government Code.*

39 *(C) "Regional agency" means a federally designated*
40 *metropolitan planning organization, or a council of governments*

1 working with a metropolitan planning organization, for a region
2 with a population of greater than one million. It is the intent of
3 the Legislature that standards and procedures for the
4 designation of regional agencies in areas of less than one million
5 in population shall be enacted by statute not later than January,
6 2007.

7 (D) "Regional Growth Plan" is a plan that meets the
8 requirements established in Section 65099 of the Government
9 Code for planning or incentive grants.

10 (E) "Infill development" means residential or mixed
11 commercial and residential development on an infill site as
12 defined in Section 21061.5 of the Public Resources Code, or in
13 an area of an incorporated city that is predominantly developed
14 with qualified urban uses and which has been designated for
15 infill development by a regional growth plan.

16 (h) (1) Two hundred million dollars (\$200,000,000) shall be
17 deposited in the Flood Control Matching Account, which is
18 hereby created in the fund. The money in the account shall be
19 available to the Department of Water Resources for the purposes
20 of funding the state's share of the nonfederal costs of flood
21 control and flood prevention projects adopted and authorized as
22 of January 1, 1999, under the State Water Resources Law of
23 1945 (Chapter 1 (commencing with Section 12570) and Chapter
24 2 (commencing with Section 12639) of Part 6 of Division 6 of the
25 Water Code), the Flood Control Law of 1946 (Chapter 3
26 (commencing with Section 12800) of Part 6 of Division 6 of the
27 Water Code), and the California Watershed Protection and
28 Flood Prevention Law (Chapter 4 (commencing with Section
29 12850) of Part 6 of Division 6 of the Water Code), including the
30 credits and loans to local agencies pursuant to Sections 12585.3
31 and 12585.4, subdivision (d) of Section 12585.5, and Sections
32 12866.3 and 12866.4 of the Water Code, and to implement
33 Chapter 3.5 (commencing with Section 12840) of Part 6 of
34 Division 6 of the Water Code.

35 (2) It is the intent of the Legislature that the state's share of
36 the nonfederal costs of projects for flood control and flood
37 prevention adopted and authorized after January 1, 2001, shall
38 not exceed that portion of the nonfederal costs authorized
39 pursuant to Chapter 1, (commencing with Section 12570) of Part
40 6 of Division 6 of the Water Code, or any amendments thereto.

(i) (1) One billion dollars (\$1,000,000,000) to be deposited in the California Rail Corridor Improvement Account, which is hereby created in the fund. Funds shall be available, upon appropriation by the Legislature, to the High-Speed Rail Authority created pursuant to Division 19.5 (commencing with Section 185000) of the Public Utilities Code, without regard to fiscal year, for expenditure pursuant to paragraph (2).

(2) Funds made available pursuant to this subdivision shall be expended for the following specific corridor segments and purposes:

(A) Two hundred million dollars (\$200,000,000) for the Los Angeles-Irvine segment of the LOSSAN corridor, for project-specific level environmental studies, planning, engineering, right-of-way acquisition, and construction of grade separations, bridges, and tracks. The authority shall develop a consolidated rail plan for the development of passenger rail services in the portion of the LOSSAN corridor between Los Angeles and Irvine. The plan shall formulate strategies to integrate commuter and intercity passenger rail systems and existing rail freight services operating in the corridor segment, improve interfaces with connecting services, and coordinate investments with transit-supportive land use. The plan shall be developed in cooperation with the Los Angeles County Metropolitan Transportation Authority (MTA) and the Orange County Transportation Authority (OCTA). The authority shall provide day-to-day management and technical support for the development of the plan with advice from MTA and OCTA, with input from other Los Angeles and Orange County transportation agencies, the Department of Transportation, Amtrak, railroad freight operators, any other affected agencies, and the general public. The funds may not be used for any right-of-way or construction projects or activity until the final consolidated rail plan is adopted by the authority, MTA, and OCTA.

(B) Two hundred million (\$200,000,000) for the Los Angeles-Riverside-San Diego corridor segment, for project-specific level environmental studies, planning, engineering, right-of-way acquisition, and construction of grade separations, bridges, and tracks. The authority shall develop a consolidated rail plan for the development of passenger rail services in the corridor segment between Los Angeles and

1 *Riverside. The plan shall formulate strategies to integrate*
2 *commuter and intercity passenger rail systems and existing rail*
3 *freight services operating in the corridor segment, improve*
4 *interfaces with connecting services, and coordinate investments*
5 *with transit-supportive land use. The plan shall be developed in*
6 *cooperation with the Los Angeles County Metropolitan*
7 *Transportation Authority (MTA) and the Riverside County*
8 *Transportation Commission (RCTC). The authority shall provide*
9 *day-to-day management and technical support for the*
10 *development of the plan with advice from MTA and RCTC, with*
11 *input from other Los Angeles, San Bernardino, and Riverside*
12 *County transportation agencies, the Department of*
13 *Transportation, Amtrak, railroad freight operators, any other*
14 *affected agencies, and the general public. The funds may not be*
15 *used for any right-of-way or construction projects or activity*
16 *until the final consolidated rail plan is adopted by the authority,*
17 *MTA, and RCTC.*

18 *(C) Two hundred million dollars (\$200,000,000) for the Los*
19 *Angeles-Palmdale-Bakersfield corridor segment, for*
20 *project-specific level environmental studies, planning,*
21 *engineering, right-of-way acquisition, and construction of grade*
22 *separations, bridges, and tracks.*

23 *(D) Two hundred million dollars (\$200,000,000) for the*
24 *Bakersfield-Merced corridor segment, for project-specific level*
25 *environmental studies, planning, engineering, right-of-way*
26 *acquisition, and construction of grade separations, bridges, and*
27 *tracks.*

28 *(E) Two hundred million dollars (\$200,000,000) for the*
29 *Merced-Bay Area corridor segment, for project-specific level*
30 *environmental studies, planning, engineering, right-of-way*
31 *acquisition, and construction of grade separations, bridges, and*
32 *tracks.*

33 *(3) The authority may transfer funds between the corridor*
34 *segments identified in paragraph (2) if all of the following*
35 *conditions are met:*

36 *(A) The availability of matching funds in a particular corridor*
37 *segment will result in a lower cost to the state for the*
38 *construction of the entire network.*

39 *(B) The total amount of transfers does not exceed two hundred*
40 *million dollars (\$200,000,000).*

1 (C) Not more than one-third of the funds specified in
2 paragraph (2) for any corridor segment are transferred.

3 (4) The authority may not use funds made available under this
4 subdivision for right-of-way acquisition or construction in the
5 Los Angeles-Irvine or Los Angeles-Riverside corridor segments
6 until a consolidated rail plan is adopted pursuant to paragraph
7 (2). If a consolidated rail plan has not been adopted by 2010, the
8 authority may transfer funds from a corridor segment that lacks
9 an adopted plan to another corridor segment. That transfer shall
10 not be subject to the conditions of paragraph (3).

11 (5) Notwithstanding paragraph (2), the authority may use the
12 funds made available pursuant to paragraph (2) for the following
13 additional purposes without regard to corridor segment:

14 (A) Matching federal funds made available for high-speed
15 train purposes not specified in paragraph (2).

16 (B) Planning, development, certification, and selection of a
17 high-speed train system, including, but not limited to, rolling
18 stock, signal systems, and electric power systems.

19 (6) As used in this subdivision, the following terms have the
20 following meanings:

21 (A) "Authority" means the High-Speed Rail Authority.

22 (B) "High-speed train network" means the tracks, stations,
23 rolling stock, and related facilities that are necessary for the
24 operation of the high-speed train service as is further defined
25 under the preferred alternatives section in the program level
26 environmental report issued by the authority in 2005.

27 (C) "High-speed train project" means all activities that are
28 necessary for the construction and operation of the high-speed
29 train network.

30 (j) Two hundred seventy-five million dollars (\$275,000,000) to
31 be deposited in the Transit-Oriented Development Account,
32 which is hereby created in the fund, for transfer to the
33 Transit-Oriented Development Implementation Fund, for
34 expenditure pursuant to the Transit-Oriented Development
35 Implementation Program authorized by Chapter 3.6
36 (commencing with Section 50535) of Part 2 of Division 31 of the
37 Health and Safety Code.

Article 3. Fiscal Provisions

8879.25. Bonds in the total amount of ~~seven~~ *ten* billion ~~eight~~
~~hundred twenty-five million dollars (\$7,825,000,000)~~ *two*
hundred seventy-five million dollars (\$10,275,000,000),
exclusive of refunding bonds, or so much thereof as is necessary,
are hereby authorized to be issued and sold for carrying out the
purposes expressed in this chapter and to reimburse the General
Obligation Bond Expense Revolving Fund pursuant to Section
16724.5. All bonds herein authorized which have been duly sold
and delivered as provided herein shall constitute valid and legally
binding general obligations of the state, and the full faith and
credit of the state is hereby pledged for the punctual payment of
both principal and interest thereof.

8879.26. The bonds authorized by this chapter shall be
prepared, executed, issued, sold, paid, and redeemed as provided
in the State General Obligation Bond Law (Chapter 4
(commencing with Section 16720) of Part 3 of Division 4),
except Section 16727, and all of the other provisions of that law
as amended from time to time apply to the bonds and to this
chapter and are hereby incorporated in this chapter as though set
forth in full in this chapter.

8879.27. (a) Solely for the purpose of authorizing the
issuance and sale, pursuant to the State General Obligation Bond
Law, of the bonds authorized by this chapter, the Safe Facilities,
Improved Mobility, and Clean Air Finance Committee is hereby
created. For the purposes of this chapter, the Safe Facilities,
Improved Mobility, and Clean Air Finance Committee is “the
committee” as that term is used in the State General Obligation
Bond Law. The committee consists of the Treasurer, the
Controller, the Director of Finance, and the Secretary of the
Business, Transportation and Housing Agency, or a designated
representative of each of those officials. The Treasurer shall
serve as the chairperson of the committee. A majority of the
committee may act for the committee.

(b) The committee may adopt guidelines establishing
requirements for administration of its financing programs to the
extent necessary to protect the validity of, and tax exemption for,
interest on the bonds. The guidelines shall not constitute rules,
regulations, orders, or standards of general application.

1 (c) For the purposes of the State General Obligation Bond
2 Law, any department receiving an allocation from the
3 Department of Finance is designated to be the “board.”

4 8879.28. Upon request of the board stating that funds are
5 needed for purposes of this chapter, the committee shall
6 determine whether or not it is necessary or desirable to issue
7 bonds authorized pursuant to this chapter in order to carry out the
8 actions specified in Section 8879.23, and, if so, the amount of
9 bonds to be issued and sold. Successive issues of bonds may be
10 authorized and sold to carry out those actions progressively, and
11 be sold at any one time. Bonds may bear interest subject to
12 federal income tax.

13 8879.29. There shall be collected annually, in the same
14 manner and at the same time as other state revenue is collected, a
15 sum of money in addition to the ordinary revenues of the state,
16 sufficient to pay the principal of, and interest on, the bonds as
17 provided herein, and all officers required by law to perform any
18 duty in regard to the collections of state revenues shall collect
19 that additional sum.

20 8879.30. Notwithstanding Section 13340, there is hereby
21 appropriated from the General Fund in the State Treasury, for the
22 purposes of this chapter, an amount that will equal the total of the
23 following:

24 (a) The sum annually necessary to pay the principal of, and
25 interest on, bonds issued and sold pursuant to this chapter, as the
26 principal and interest become due and payable.

27 (b) The sum which is necessary to carry out Section 8879.32,
28 appropriated without regard to fiscal years.

29 8879.31. The board may request the Pooled Money
30 Investment Board to make a loan from the Pooled Money
31 Investment Account, in accordance with Section 16312, for
32 purposes of this chapter. The amount of the request shall not
33 exceed the amount of the unsold bonds which the committee has,
34 by resolution, authorized to be sold for the purpose of this
35 chapter, less any amount withdrawn pursuant to Section 8879.32.
36 The board shall execute any documents as required by the Pooled
37 Money Investment Board to obtain and repay the loan. Any
38 amount loaned shall be deposited in the fund to be allocated in
39 accordance with this chapter.

1 8879.32. For the purpose of carrying out this chapter, the
2 Director of Finance may, by executive order, authorize the
3 withdrawal from the General Fund of any amount or amounts not
4 to exceed the amount of the unsold bonds which the committee
5 has, by resolution, authorized to be sold for the purpose of
6 carrying out this chapter. Any amounts withdrawn shall be
7 deposited in the Safe Facilities, Improved Mobility, and Clean
8 Air Bond Fund of 2005. Any money made available under this
9 section shall be returned to the General Fund, plus the interest
10 that the amounts would have earned in the Pooled Money
11 Investment Account, from money received from the sale of
12 bonds which would otherwise be deposited in that fund.

13 8879.33. The bonds may be refunded in accordance with
14 Article 6 (commencing with Section 16780) of the State General
15 Obligation Bond Law. Approval by the electors of this act shall
16 constitute approval of any refunding bonds issued pursuant to the
17 State General Obligation Bond Law.

18 8879.34. Notwithstanding any provisions in the State General
19 Obligation Bond Law, the maximum maturity of any bonds
20 authorized by this chapter shall not exceed 30 years from the date
21 of each respective series. The maturity of each series shall be
22 calculated from the date of each series.

23 8879.35. The Legislature hereby finds and declares that,
24 inasmuch as the proceeds from the sale of bonds authorized by
25 this chapter are not “proceeds of taxes” as that term is used in
26 Article XIII B of the California Constitution, the disbursement of
27 these proceeds is not subject to the limitations imposed by that
28 article.

29 8879.36. Notwithstanding any provision of the State General
30 Obligation Bond Law with regard to the proceeds from the sale
31 of bonds authorized by this chapter that are subject to investment
32 under Article 4 (commencing with Section 16470) of Chapter 3
33 of Part 2 of Division 4, the Treasurer may maintain a separate
34 account for investment earnings, order the payment of those
35 earnings to comply with any rebate requirement applicable under
36 federal law, and may otherwise direct the use and investment of
37 those proceeds so as to maintain the tax-exempt status of those
38 bonds and to obtain any other advantage under federal law on
39 behalf of the funds of this state.

SEC. 1.3. Chapter 3.6 (commencing with Section 50535) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 3.6. TRANSIT-ORIENTED DEVELOPMENT
IMPLEMENTATION PROGRAM

50535. There is hereby established the Transit-Oriented Development Implementation Program, to be administered by the Department of Housing and Community Development, to provide local assistance to cities, counties, cities and counties, transit agencies, and developers for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership.

50535.1. (a) There is hereby created in the State Treasury the Transit-Oriented Development Implementation Fund.

(b) Notwithstanding Section 13340 of the Government Code, all money in the fund, including any interest on loans made from the fund, is hereby continuously appropriated to the department for the purpose of carrying out this chapter.

(c) All interest, dividends, and pecuniary gains from investments or deposits of moneys in the fund shall accrue to the fund, notwithstanding Section 16305.7 of the Government Code. There shall be paid into the fund all of the following:

(1) Any moneys appropriated and made available by the Legislature for the purposes of the fund.

(2) Any moneys that the department receives in repayment of loans made from the fund, including any interest on loans made from the fund.

(3) Any other moneys that may be made available to the department for the purposes of this chapter from any other source.

50535.2. (a) To the extent that funds are available, the department shall make grants to cities, counties, cities and counties, or transit agencies for the provision of infrastructure necessary for the development of higher density uses within close proximity to a transit station, or to facilitate connections between that development and the station.

1 (b) To the extent that funds are available, the department shall
2 make loans for the development and construction of a housing
3 development project within close proximity to a transit station.
4 To be eligible for a loan, at least 15 percent of the units in the
5 proposed development shall be made available at an affordable
6 rent or at an affordable housing cost to persons of very low or
7 low income for at least 55 years. Developments assisted pursuant
8 to this subdivision shall be on parcels at least a portion of which
9 are located within one-quarter mile of a transit station. A
10 housing development project may include a mixed-use
11 development consisting of residential and nonresidential uses.

12 (c) As used in this chapter, "transit station" shall have the
13 same meaning as defined in subdivision (b) of Section 65460.1 of
14 the Government Code.

15 50535.3. (a) In ranking applications pursuant to this
16 chapter, the department shall, among other criteria, consider the
17 extent to which the project or development will increase public
18 transit ridership and minimize automobile trips.

19 (b) The department shall also grant bonus points to projects or
20 developments that are within the boundaries of a transit village
21 development plan adopted pursuant to the Transit Village
22 Development Planning Act of 1994 (Article 8.5 (commencing
23 with Section 65460) of Chapter 3 of Division 1 of Title 7 of the
24 Government Code) or that are in an area designated by the
25 appropriate council of governments for infill development as part
26 of a regional plan.

27 50535.4. (a) The department may use up to 5 percent of the
28 funds appropriated for the purposes of this chapter for its costs
29 in administering the programs authorized by this chapter.

30 (b) The department may administer the programs pursuant to
31 guidelines that shall not be subject to the requirements of
32 Chapter 3.5 (commencing with Section 11340) of Division 3 of
33 Title 2 of the Government Code.

34 50535.5. This chapter shall become operative only if the
35 voters approve the Safe Facilities, Improved Mobility, and Clean
36 Air Bond Act of 2005, as contained in S.B. 1024 of the 2005-06
37 Regular Session.

38 SEC. 1.7. Section 2704.21 is added to the Streets and
39 Highways Code, to read:

2704.21. *If the voters approve the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005, as contained in SB 1024 of the 2005-06 Regular Session, this chapter shall be repealed on the date of that approval, and no bonds shall be sold pursuant to this chapter, and, notwithstanding any other provision of law, the bond act that is the subject of this chapter shall not be placed on the ballot if it has not yet appeared on a ballot.*

SEC. 2. Section 1 of this act shall become operative upon adoption by the voters of the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005, as set forth in Section 1 of this act.

SEC. 3. (a) Notwithstanding Sections 9040, 9043, 9044, 9061, and 9094 of the Elections Code, or any other provision of law, the Secretary of State shall submit Section 1 of this act to the voters at the November 7, 2006, election.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the November 7, 2006, election ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 9094 of the Elections Code, the information specified in Section 9084 of that code regarding the bond act contained in Section 1 of this act.

SEC. 4. Notwithstanding any other provision of law, all ballots shall have printed thereon and in a square thereof, the words: "Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of ~~seven billion eight hundred twenty-five million dollars (\$7,825,000,000)~~ *ten billion two hundred seventy-five million dollars (\$10,275,000,000)* to provide funds for an essential public works facilities retrofit program." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the

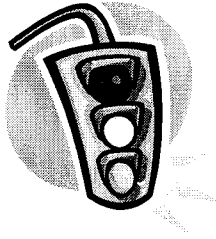
1 expression of the voters' choice by means thereof are in
2 compliance with this section.

3 SEC. 5. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety
5 within the meaning of Article IV of the Constitution and shall go
6 into immediate effect. The facts constituting the necessity are:

7 In order for this act to be submitted to voters at the earliest
8 possible time, it is necessary for this act to take effect
9 immediately.

O

GoCalifornia



GoCalifornia

Transportation Moves the Economy



GoCalifornia

Purpose of Statewide Workshop

- Present overview of *GoCalifornia*.
- Review and refine proposed strategies, projects and actions.
- Provide foundation and direction for regional workshops.

3

GoCalifornia

Purpose of Regional Workshops

- Provide overview of *GoCalifornia*.
- Review and refine proposed regional strategies.
- Obtain feedback and input on regional priorities.

4

GoCalifornia

Vision

Improve mobility and accessibility for people, goods, services and information through a safe, integrated, multimodal, world-class transportation system that achieves the "3-E's":

- Prosperous Economy
- Quality Environment
- Social Equity

5

GoCalifornia

Goal

Mobility that continues to attract capital investment in California to generate jobs.

6

GoCalifornia **Objectives**

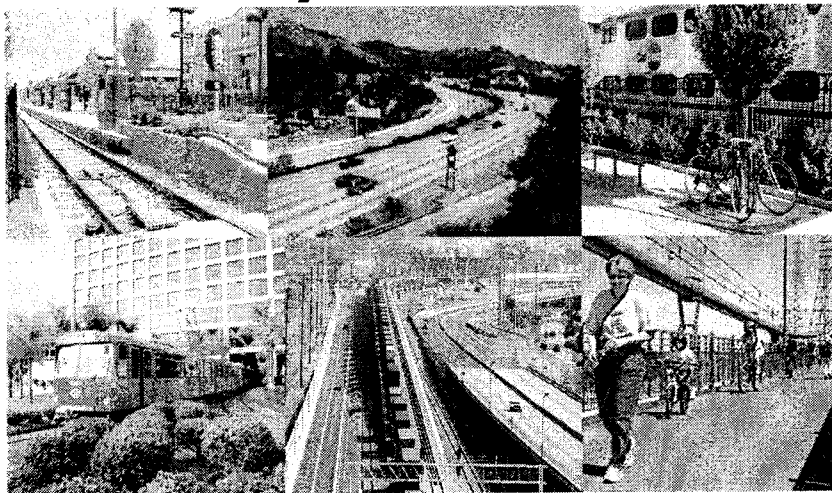


10-Year Investment Plan for Mobility

- Address 20-Year Needs and Reduce Congestion Below Today's Levels
- Deploy Demand-Management Strategies, Use Existing Capacity More Efficiently, and Expand Capacity
- Build a World-Class Transportation System That Incorporates Best Research and Technology

7

GoCalifornia **Mobility for California**



Restore the "GO" in Golden State

8

GoCalifornia

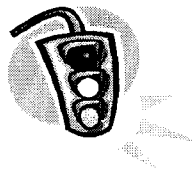
Presentation Overview



- **Challenges**
 - Congestion
 - Investments
- **Solutions**
 - Strategies
 - Projects
- **Actions**
 - Reform and Improve Accountability
 - Accelerate Project Delivery
 - Jumpstart Investments

9

GoCalifornia



CHALLENGES



10

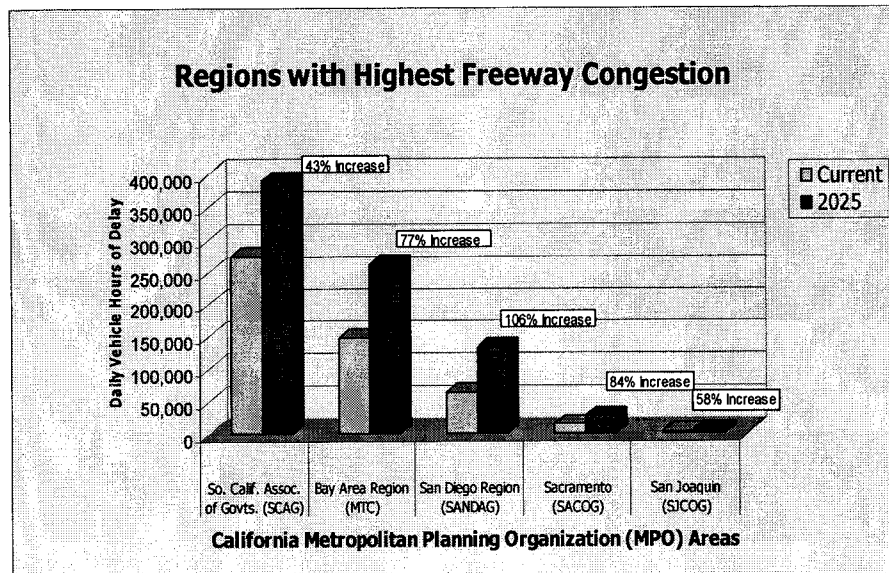
GoCalifornia

Challenges

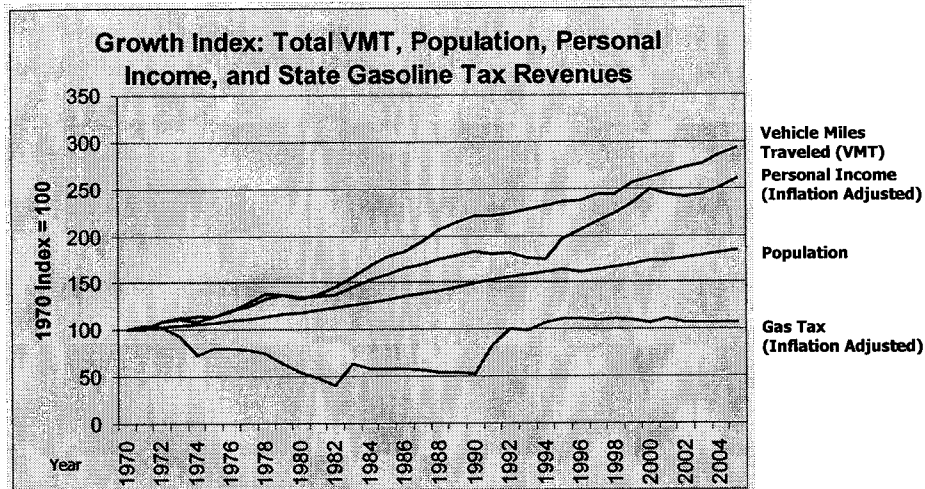
- California's economic comparative advantage and competitive edge are threatened by decreasing mobility.
- Congestion is increasing statewide due to current land use patterns and planned levels of investment.
- Congestion is eroding our quality of life and impacting the environment.
- Air pollution constrains congestion relief options and harms our health.
- Transportation investment is not keeping pace with population increases and economic growth.
- California needs state-of-the-art tools to accelerate project delivery and pursue innovative partnerships with the private sector.

11

Current Trends Mean More Delay

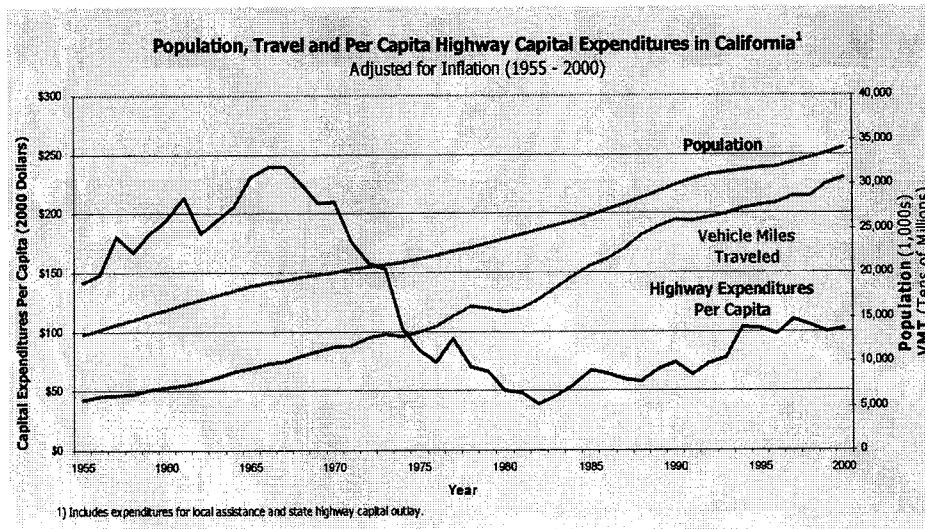


More People, More Travel, Flat Revenues



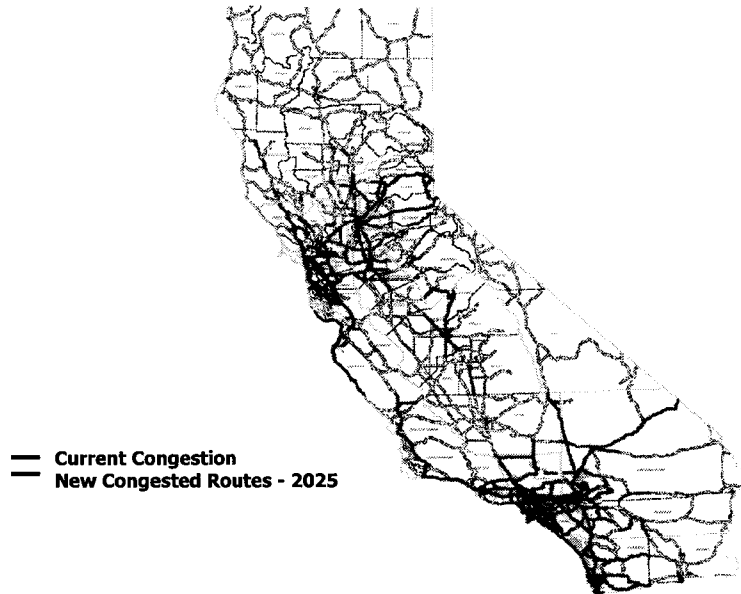
13

Decades of Under-Investment



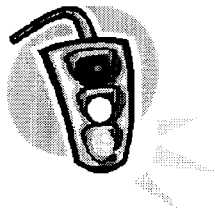
14

California State Highway System Congestion



15

GoCalifornia



SOLUTIONS Strategies



16

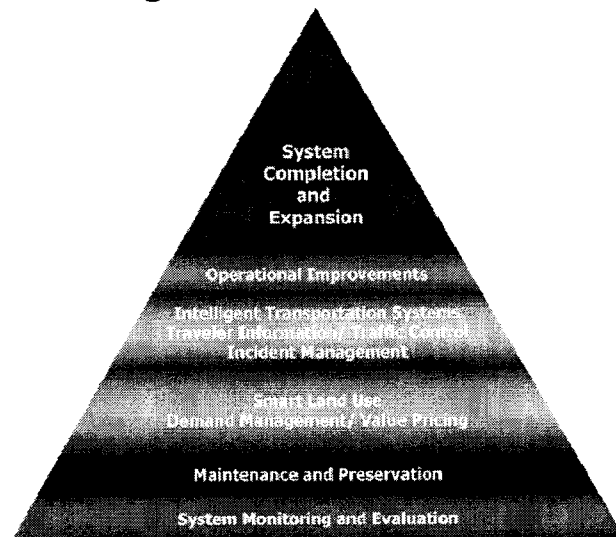
Measuring Our Progress Through Transportation System Performance Outcomes

- Accessibility
- Economic Development
- Environmental Quality
- Equity
- Mobility
- Productivity
- Reliability
- Return on Investment
- Safety
- System Preservation

Note: Transportation system performance outcomes are enhanced by the coordination of land use and transportation.

17

GoCalifornia Strategies to Maximize Mobility



Transportation Investments Have More Impact If Built On This Foundation ¹⁸

Foundation For Performance Measurement:

- Gives Vital Information on System Performance
- Protects System Investments
- Provides Key Information For Informed Decision Making
- Identifies Opportunities for System Integration and Coordination

Implement Transportation Management System (TMS) Master Plan to Monitor Congestion/Delay on Freeway Corridors

Action Plan

Strategies

Improve System Monitoring and Evaluation
Implement TMS Master Plan

System Monitoring and Evaluation

Improve and Expand System Monitoring and Evaluation Across All Systems and Modes and for Intermodal and Multimodal Transfer of People and Freight

Current Systems Monitor Performance of:

- State Highway System
- Local Streets and Roads
- Public Transit and Urban/Commuter Rail
- Intercity Passenger Rail

System Performance Outcome

Improved Mobility
20% Reduced Delay



Maintenance and Preservation:

- Ensures Full Return on Investment
- Reduces Future Costs
- Reduces Delay

Applies To All Systems:

- State Highways
- Local Streets and Roads
- Transit/Rail*

Action Plan

Strategies

Fund State Highway Operation and Protection Program (SHOPP) Plan - State Routes

Increase Revenue for Local Streets and Roads

System Performance Outcome

Good Highway Conditions Save Each Motorist \$558/Year

Local Streets and Roads in Good Condition

\$1 in Preventive Maintenance Today Delays Spending \$6-\$10 in the Future for Rehabilitation



* Costs Included in Operational Improvements

Reduce, Manage and Eliminate Trips Through:

Smart Land Use Demand Management/Value Pricing

■ Wise and Integrated Land Use Decisions:

- Ensure Jobs/Housing Proximity
- Promote Transit Oriented Development
- Encourage High Density Residential/Commercial Development Along Transit/Rail Corridors

■ Innovative Concepts Designed to Change Travel Behavior:

- Employer Sponsored Programs

■ Market-Based Strategies

■ Value Pricing

■ Accelerated Deployment of Broadband Infrastructure

■ Comprehensive, Integrated, Multimodal Planning and Implementation to:

- Manage California's Mobility System
- Maximize Return on Investments
- Link Strategies, Actions, and Improvements for Maximum Effectiveness

Action Plan

Strategies

Make Wise Land Use Decisions
Implement Demand Management Strategies
Implement Value Pricing

System Performance Outcome

Reduced Travel Demand
Reduced Travel Demand/Less Delay
Reduced Travel Demand/
Increased Transportation Revenue



Intelligent Transportation System (ITS) Includes:

Intelligent Transportation Systems Traveler Information/Traffic Control Incident Management

- Traveler Information
- Traffic Control
- Incident Management (Includes Freeway Service Patrol)
- System Monitoring and Evaluation (At Base of Triangle)

- Traveler Information – Benefit/Cost Ratio of 15:1
- Traffic Control – Benefit/Cost Ratio of 10:1
- Incident Management – Benefit/Cost Ratio of 11:1 to 20:1

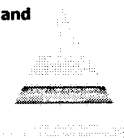
Action Plan

Strategies

Fully Fund and Implement ITS in SHOPP Plan
Improve Central and Field Element Operations and Maintenance
Expand Freeway Service Patrol
Total Package Will Result in:

System Performance Outcome

Reduced Delay by 20%
Preserved Health of System Operation and Reduced Delay
Reduced Delay
Reduced Future Delay by 200,000 Hours/Day



Increase State Highway Throughput With:

- Auxiliary Lanes
- Ramp Improvements
- Commercial Vehicle Weigh Stations
- Better Signs and Lighting
- Intelligent Transportation System (ITS) Elements

Improve Safety:

- Reduce Safety Problems
- Implement Safety Conscious Planning and Response

Operational Improvements

Preserve and Enhance Existing Services:

- Increase Bus/Rail Car Maintenance and Rehabilitation for Reliable System Operation and On-Time Performance
- Improve Passenger Stations
- Implement Service Refinements

Action Plan

Strategies

Fully Fund and Implement SHOPP Plan
Implement Safety Improvements
Implement ITS
Deploy and Operate Central and Field Elements
Ensure Continuation of and Improve Transit/Rail Services

Total Package Will Result in:

System Performance Outcome

Reduced Delay/Improved Safety
Improved Safety
Reduced Delay/Improved Safety
Preserved Health of System Operations/Maintenance
Continued and Enhanced Services, On-Time Performance, Smoother Transfers

Reduced Future Delay 35-50,000 Hours/Day
Estimated Savings of \$25 Million For Safety

23

System Completion and Expansion:

- Complete and Improve High Occupancy Vehicle (HOV) System Network
- Upgrade Key Interregional Routes to Freeway/Expressway Standards on 10 Focus Route Corridors
- Add Capacity and Improve Major Goods Movement Corridors (Highway/Rail)
- Upgrade Selected State Highways to Higher Standards
- Expand Urban/Commuter Rail and Intercity Passenger Rail

- Expand Park and Ride Facilities
- Expand Pedestrian and Bicycle Facilities
- Expand Tribal Roads and Improve Access To Tribal Lands

Action Plan

Strategies

Complete HOV Systems
Complete Focus Routes
Expand Freight Corridors
Complete Regional Priority Routes
Expand Existing Transit/Rail Services
Fund New Urban/Commuter Rail
Expand Intercity Passenger Rail
Expand Park and Ride Program
Improve Bicycle and Pedestrian
Improve Tribal Roads

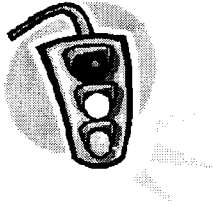
Total Package Will Result in:

System Performance Outcome

Improved Mobility and Reliability, Reduced Congestion
Improved Mobility and Reliability, Reduced Congestion
Improved Mobility
Improved Goods Movement and Mobility
Improved Mobility and Safety
Reduced Congestion/Increased Transit
Reduced Congestion/Increased Transit Ridership
Reduced Congestion/Increased Transit Ridership
Reduced Congestion
Improved Transportation Alternatives
Improved Access and Mobility
Reduced Future Delay 100,000 Hours/Day

24

GoCalifornia

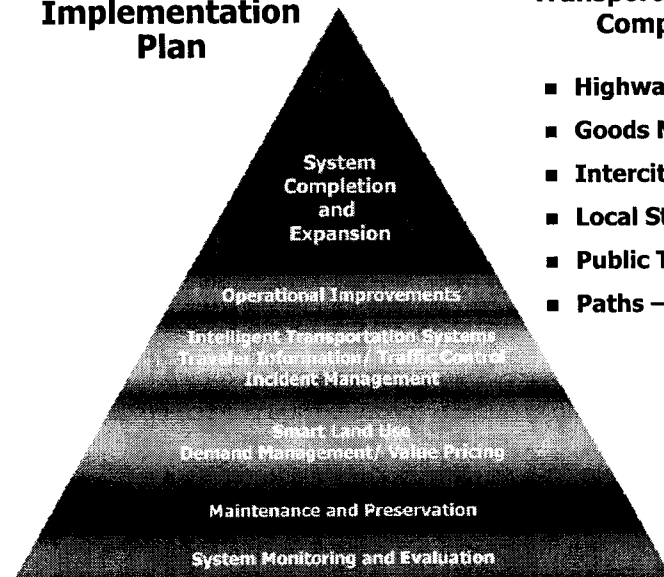


SOLUTIONS Projects



25

GoCalifornia **10-Year Mobility Implementation Plan**

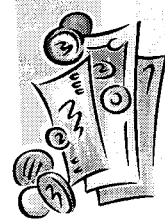


Comprehensive Integrated Transportation System Components:

- **Highway System**
- **Goods Movement**
- **Intercity Rail**
- **Local Streets – Roads**
- **Public Transit Commuter Rail**
- **Paths – Bicycles/Pedestrians**

26

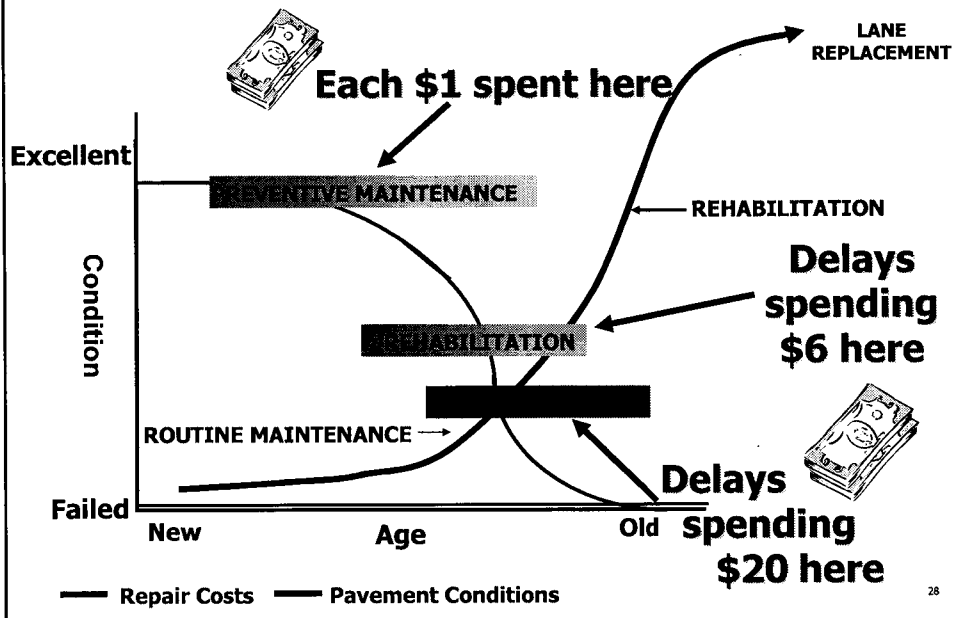
Must Preserve \$300 Billion State Highway Investment



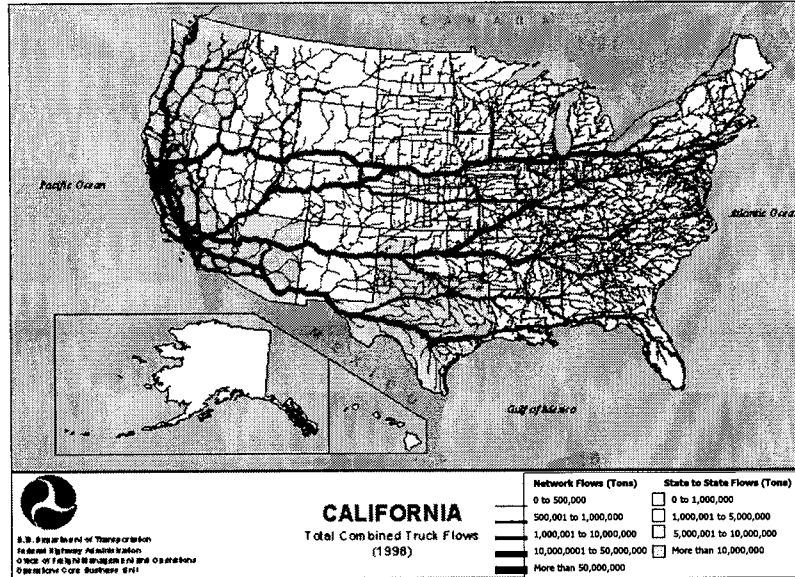
- Improve Safety
- Repair Bridges
- Replace/Repair Existing Roadway
- Preserve Roadside Features
- Reduce Delay to Facilitate Goods Movement
- Upgrade Operational Facilities

27

Cost Effective Investment



National Goods Movement Corridors



29

GoCalifornia

Intercity Passenger Rail



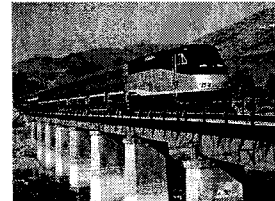
- Ensures Modal Choices Between Cities Statewide
- Complements Mobility in Major Freeway Corridors
- Provides Connectivity and Multimodal Transfer For Californians and Visitors

30

GoCalifornia

Examples of Major Projects to Improve Intercity Passenger Rail Services

- **All Corridors**
 - Acquire Additional Rolling Stock
- **Pacific Surfliner Corridor**
 - Add Third Track and Grade Separations from Los Angeles to Fullerton
 - Upgrade Tracks to Improve Operations at Los Angeles Union Station
- **Capitol Corridor**
 - Improve Track to Improve Reliability, Travel Time and Capacity/Frequency
 - Develop Intermodal Terminal at Sacramento Station Rail Yard
- **San Joaquin Corridor**
 - Add Double Track from Pittsburg to Antioch



31

GoCalifornia

Statewide Strategies Regional Priorities

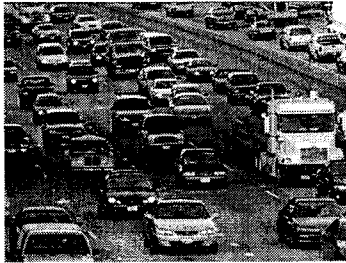
- Optimize Capacity Through **System Management**
- Facilitate **Goods Movement** to Reduce Delays
- Expand and Improve **Multimodal** Transfer Facilities/Expand Transit Services
- Foster Efficient **Land Use**
- Encourage **Collaboration** Across Boundaries and Borders



32

GoCalifornia

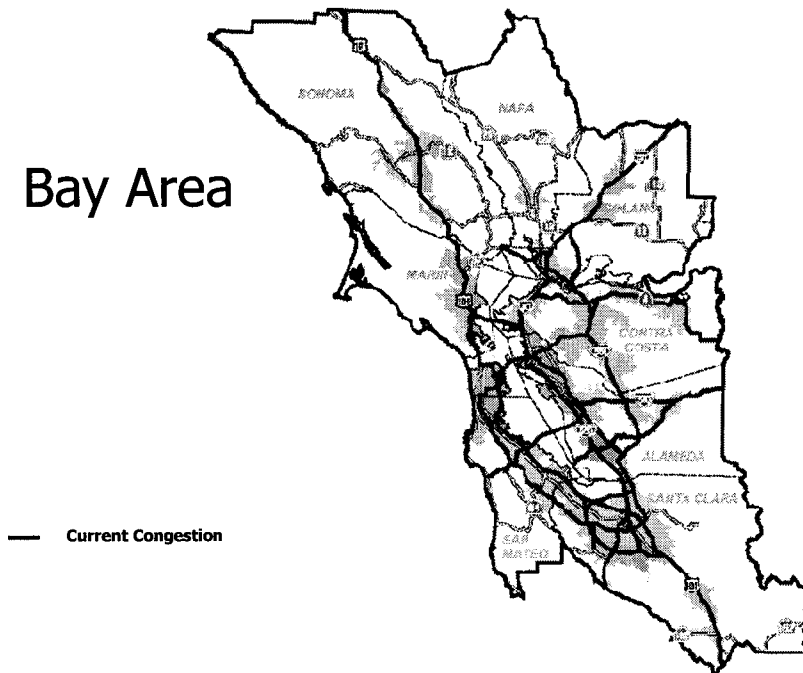
Performance Metric for Mobility



Speeds of 35 Miles Per Hour or Less
During Peak Commute Periods
Lasting 15 Minutes or Longer

33

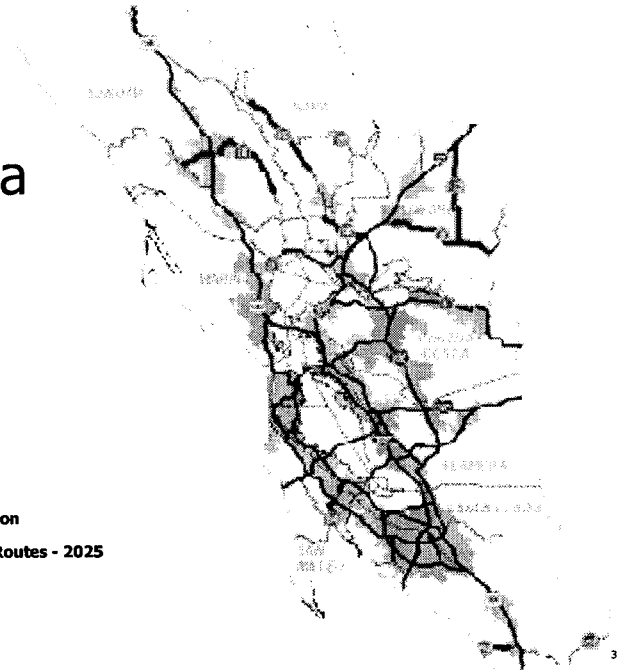
Bay Area



34

Bay Area

- Current Congestion
- New Congested Routes - 2025

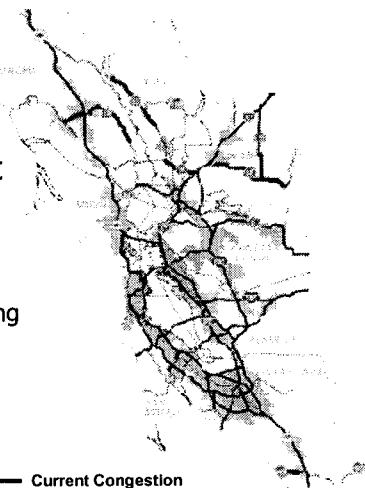


35

Bay Area

- Optimize Capacity Through System Management
- Close System Gaps
- Facilitate Goods Movement
- Expand and Improve Multimodal Transfer Facilities/Expand Transit Services
- Foster Efficient Land Use
 - Ensure Sufficient Housing Supply for All
 - Promote High Density Development Along Transit Nodes/Corridors
 - Encourage Infill/Refill Development
- Encourage Collaboration Across Boundaries and Borders

- Current Congestion
- New Congested Routes - 2025

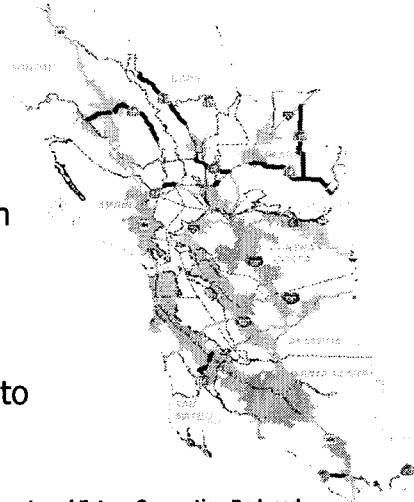


36

Bay Area

Examples of Major Prospective Regional Projects

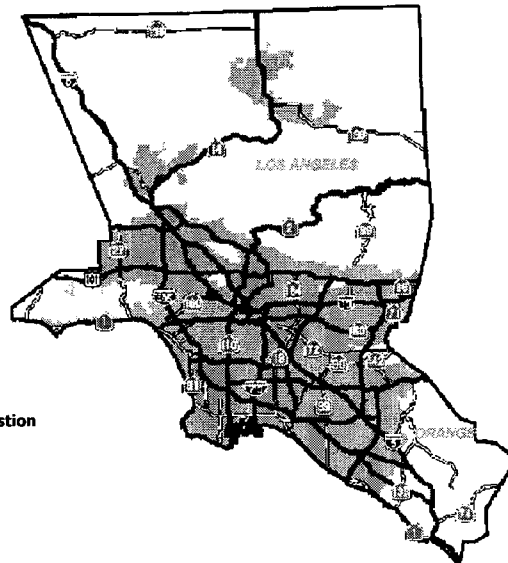
- Construct I-80/I-680/SR 12 Interchange and Corridor Improvements
- Upgrade US 101 Freeway Through Novato Narrows
- Complete I-680 Sunol Grade HOV
- Replace Doyle Drive - US 101
- Improve SR 12 Jamieson Canyon to Four Lane Expressway/Freeway Standards
- Extend BART to San Jose



— Current and Future Congestion Reduced
 Improved Travel Time and Reliability
 — 2025 – Eliminate or Reduce Future Congestion

37

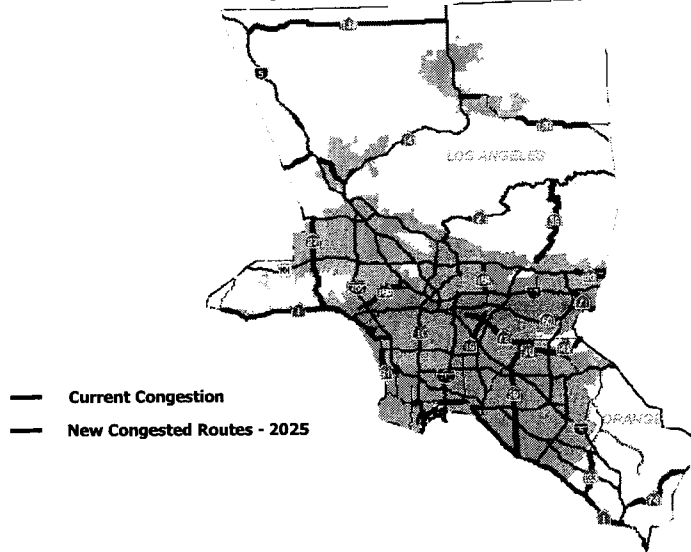
Southern California Los Angeles and Orange Counties



— Current Congestion

38

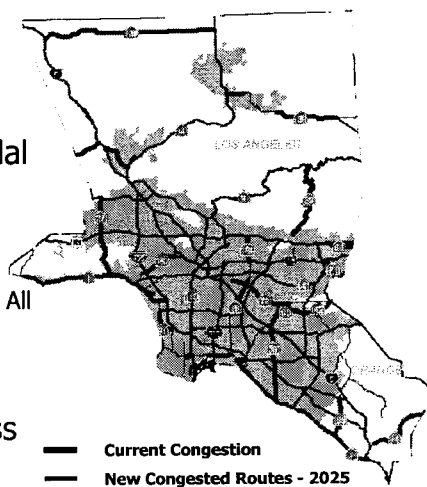
Southern California Los Angeles and Orange Counties



39

Southern California Los Angeles and Orange Counties

- Optimize Capacity Through System Management
- Facilitate Goods Movement
- Expand and Improve Multimodal Transfer Facilities/Expand Transit Services
- Foster Efficient Land Use
 - Ensure Sufficient Housing Supply for All
 - Promote High Density Development Along Transit Nodes/Corridors
 - Encourage Infill/Refill Development
- Encourage Collaboration Across Boundaries and Borders

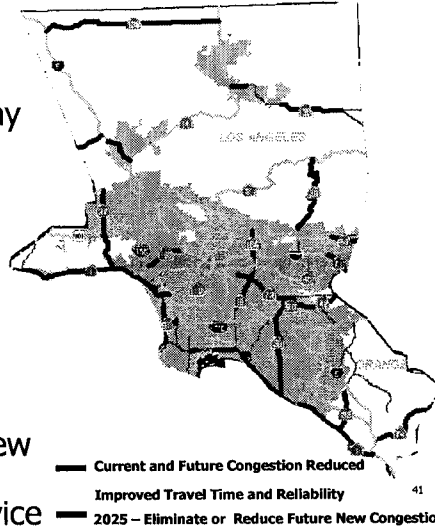


40

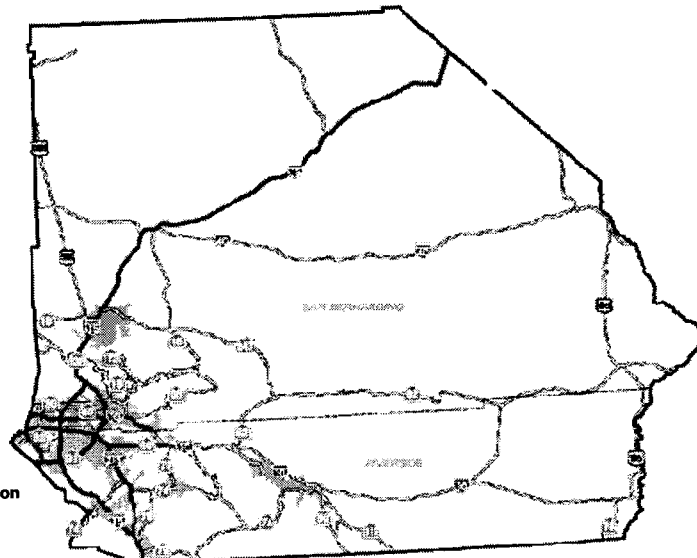
Southern California Los Angeles and Orange Counties

Examples of Major Prospective Regional Projects

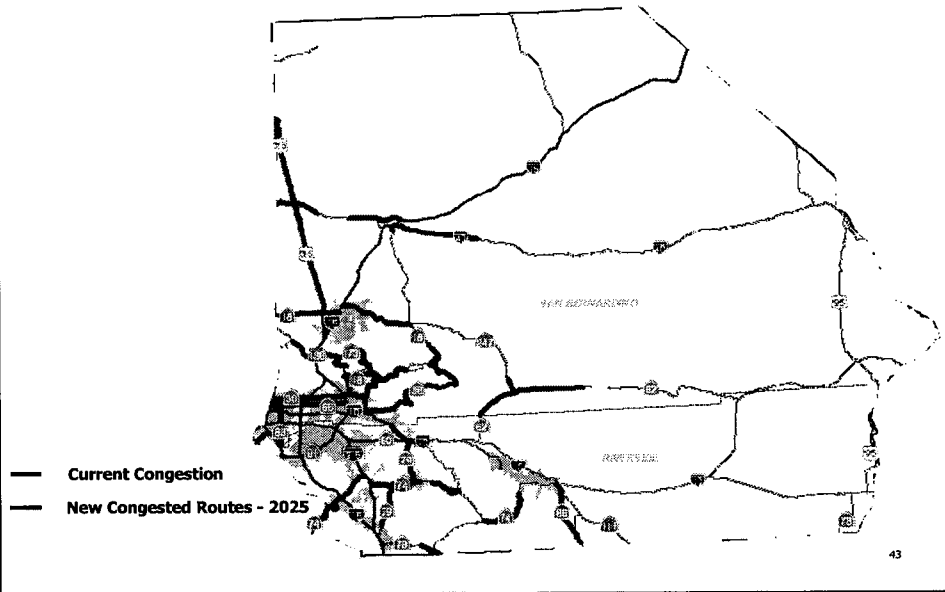
- Complete I-5 HOV Lanes From SR 134 to SR 170
- Construct I-405 to US 101 Freeway Connector
- Complete I-5 HOV Lanes From SR 91 to Los Angeles County Line
- Upgrade SR 138 to Four-Lane Expressway/Freeway Standards
- Upgrade SR 71 to Freeway Standards
- Construct Additional Track and New Pedestrian Platforms at Union Station to Improve Metrolink Service



Southern California Inland Empire

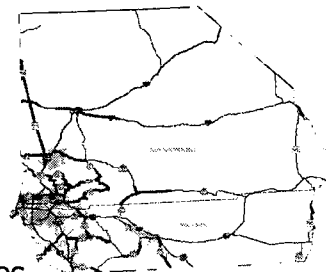


Southern California Inland Empire



Southern California Inland Empire

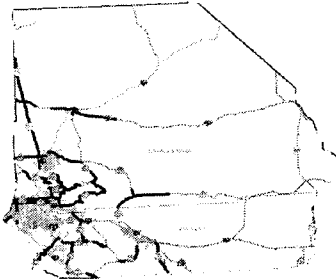
- Optimize Capacity Through System Management
- Improve and Complete Key Interregional Routes
- Identify State Highways and Regional Corridors for Improvement
- Facilitate Goods Movement
- Expand and Improve Multimodal Transfer Facilities/Expand Transit Services
- Foster Efficient Land Use
 - Ensure Jobs/Housing Proximity
 - Promote High Density Development Along Transit Nodes
 - Encourage Infill/Refill Development
- Implement Regional Growth Strategies



Southern California Inland Empire

Examples of Major Prospective Regional Projects

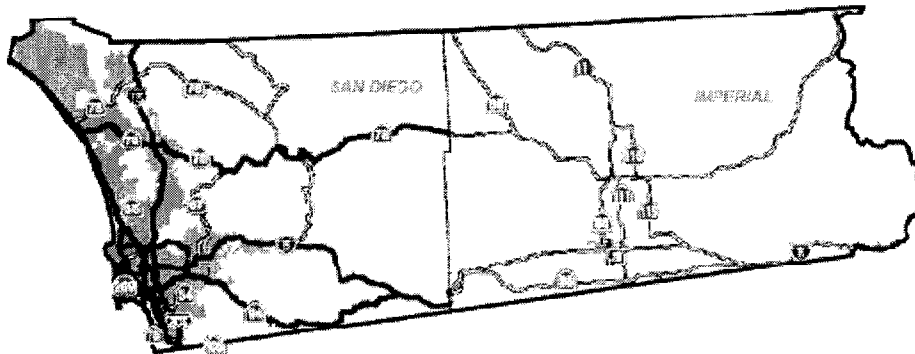
- Construct Riverside SR 91 HOV Lanes
- Widen San Bernardino I-15
- Construct Riverside SR 60 HOV Lanes
- Construct San Bernardino I-215 HOV Lanes
- Construct Riverside SR 91 Green River Road Interchange
- Construct Eastern Area Maintenance Facility, Rebuild Locomotives and Purchase New Rail Cars for Metrolink



— Current and Future Congestion Reduced
Improved Travel Time and Reliability
— 2025 – Eliminate or Reduce Future New
Congestion

45

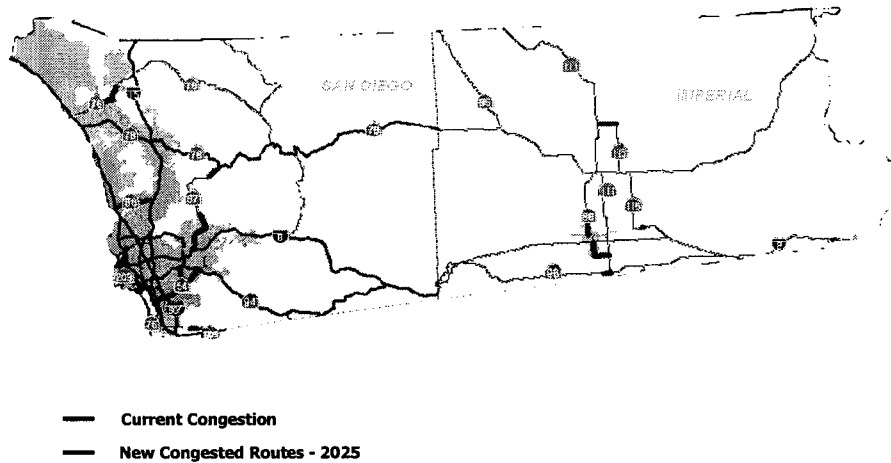
San Diego and Imperial Counties



— Current Congestion

46

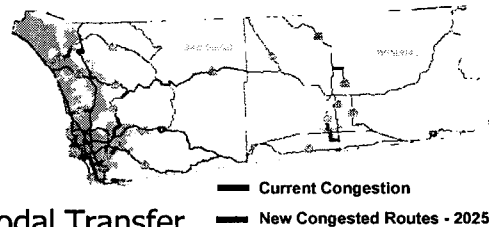
San Diego and Imperial Counties



47

San Diego and Imperial Counties

- Optimize Capacity Through System Management
- Complete Focus Routes and Mexico Gateway Routes
- Facilitate Goods Movement
- Expand and Improve Multimodal Transfer Facilities/Expand Transit Services
- Foster Efficient Land Use
 - Ensure Sufficient Housing Supply for All
 - Promote High Density Development Along Transit Nodes/Corridors
 - Encourage Infill/Refill Development
- Encourage Collaboration Across Boundaries and Borders (Example: San Diego Association of Governments Regional Comprehensive Plan)

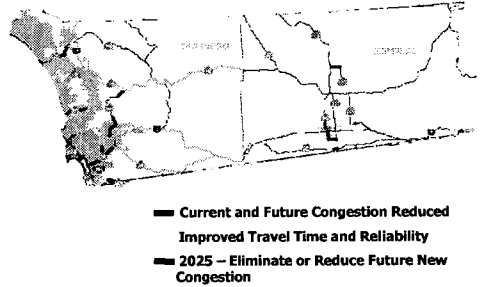


48

San Diego and Imperial Counties

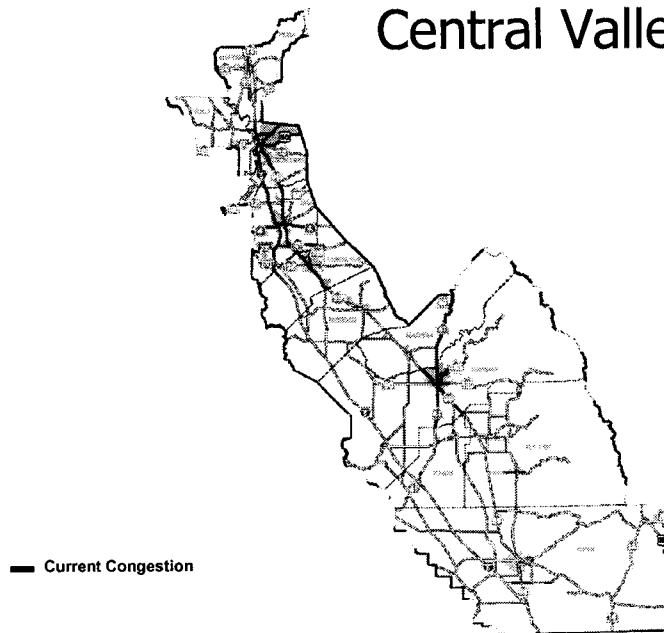
Examples of Major Prospective Regional Projects

- Widen I-5 for HOV and Mixed Flow Lanes
- Extend Managed Lanes on I-15 Between San Diego and Escondido
- Complete I-905 Freeway
- Widen SR 98 in Imperial County
- Complete SR 78 Brawley Bypass
- Implement "Sprinter" Commuter Rail Service from Oceanside to Escondido

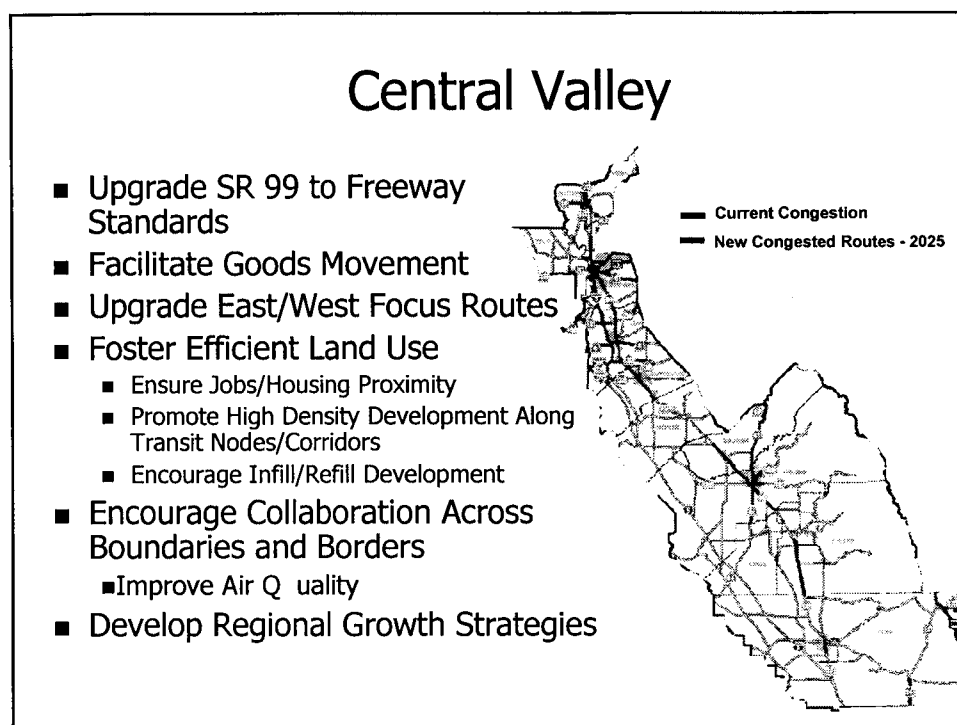
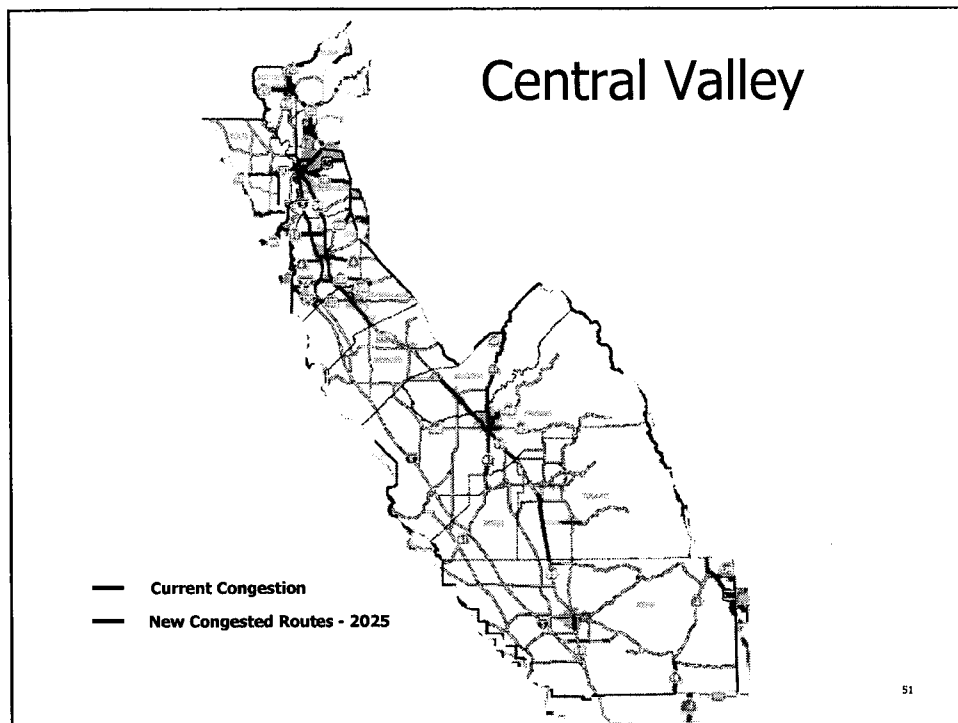


45

Central Valley



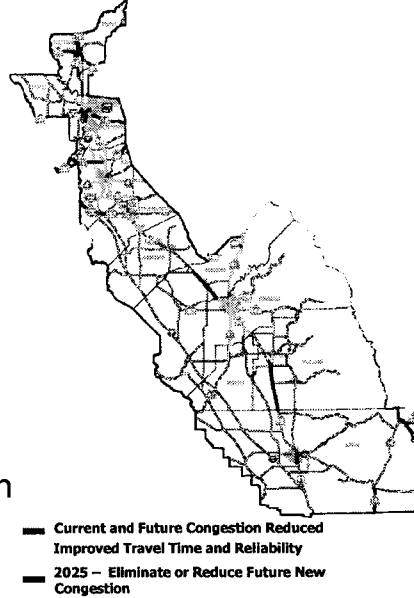
50



Central Valley

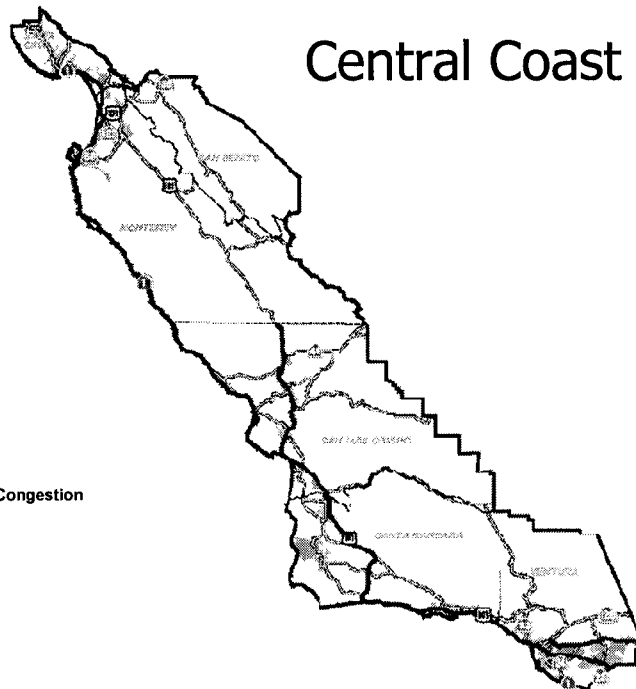
Examples of Major Prospective Regional Projects

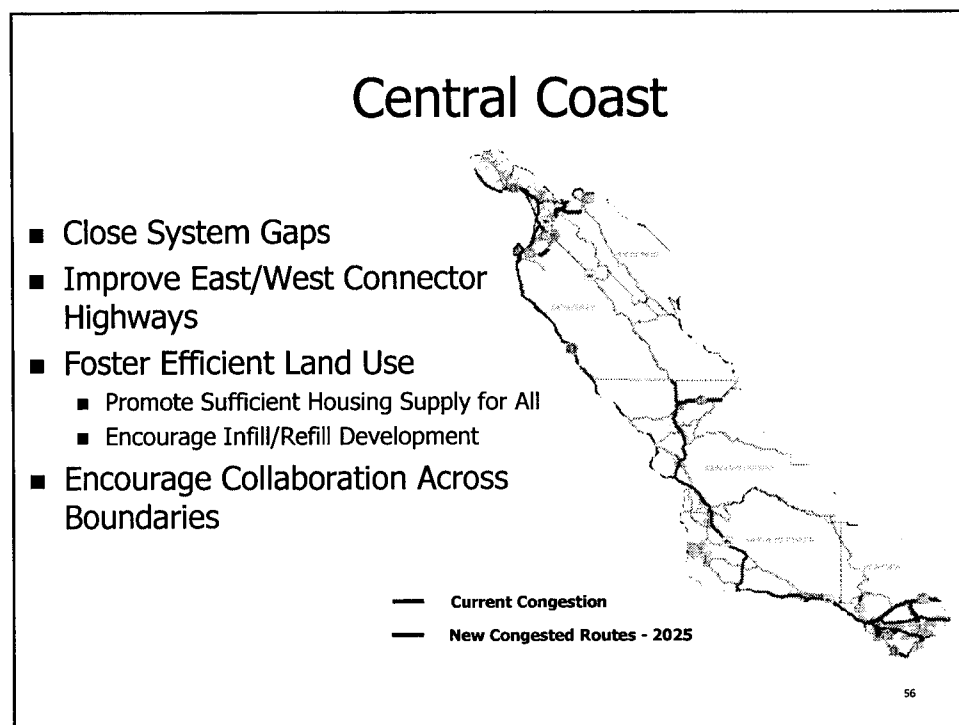
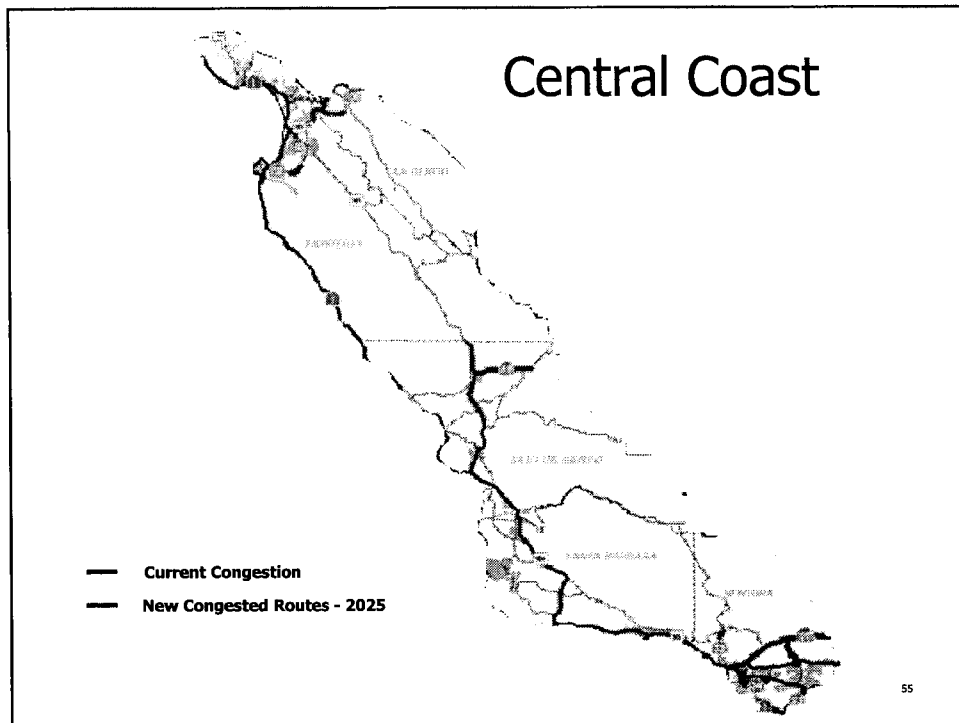
- Construct HOV Lanes on US 50 in Sacramento
- Upgrade SR 99 to Six-Lane Freeway in Fresno, Kingsburg to Selma
- Widen SR 99 South of Stockton
- Widen I-205 in San Joaquin County
- Upgrade SR 198 to Expressway Standards From SR 43 to SR 99 in Kings County
- Widen SR 132 in Stanislaus to Four-Lane Expressway



Central Coast

— Current Congestion

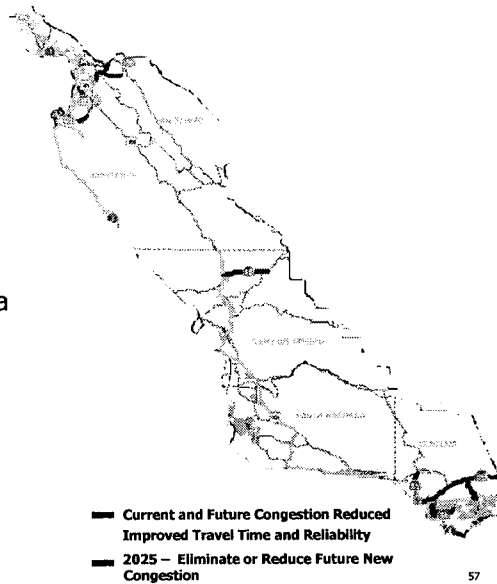




Central Coast

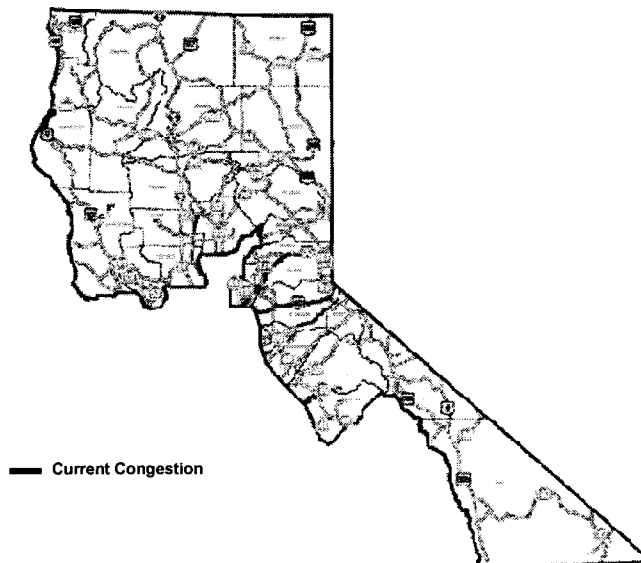
Examples of Major Prospective Regional Projects

- Upgrade US 101 to Six-Lane Freeway in Urban Santa Barbara County
- Upgrade SR 156 Corridor in Monterey and San Benito Counties
- Upgrade SR 1 and SR 17 in Santa Cruz to Improve Operations
- Deploy Operational Improvements on All State Routes
- Upgrade US 101
- Upgrade SR 46 to Four-Lane



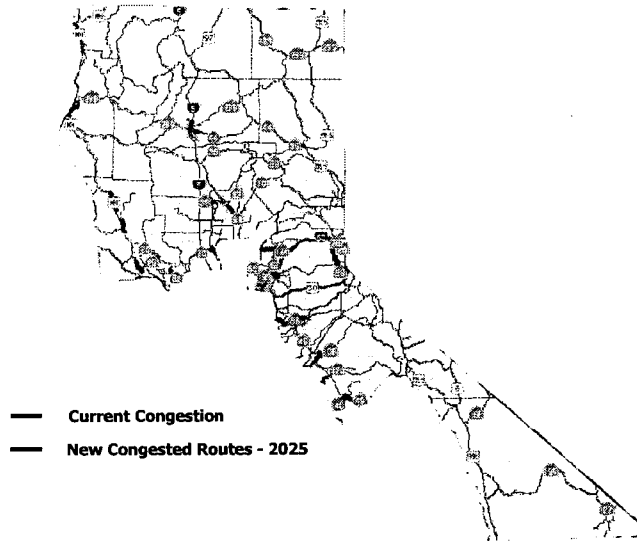
57

North State, Mountain and Eastern Sierra Counties



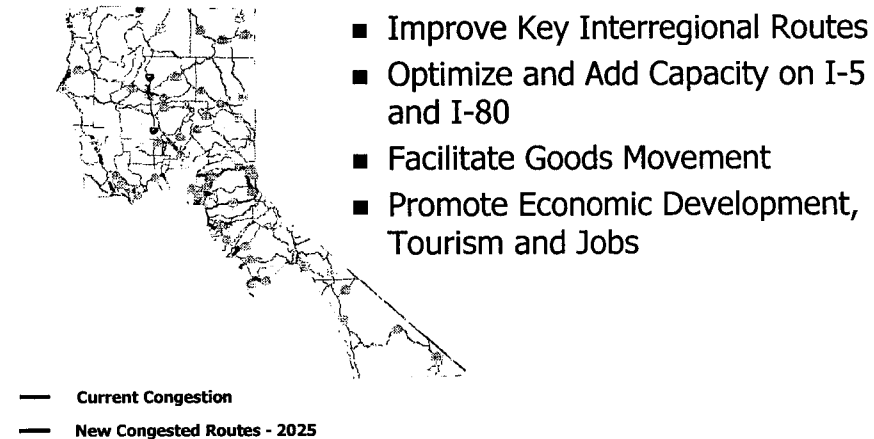
58

North State, Mountain and Eastern Sierra Counties



59

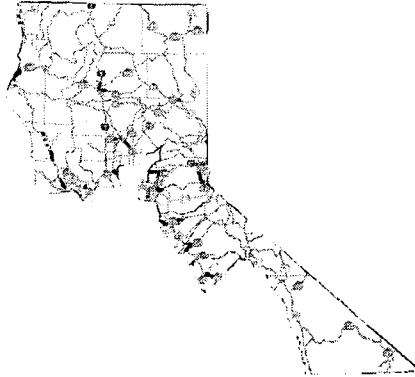
North State, Mountain and Eastern Sierra Counties



60

North State, Mountain and Eastern Sierra Counties

Examples of Major Prospective Regional Projects



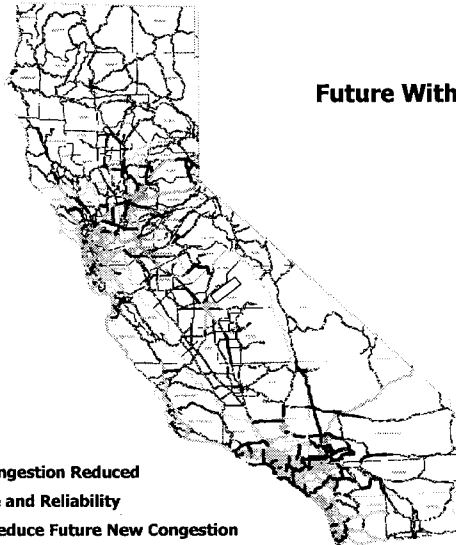
■ Current and Future Congestion Reduced
 Improved Travel Time and Reliability
 ■ 2025 - Eliminate or Reduce Future New
 Congestion

- Complete I-80 Operational and Capacity Improvements in Placer County
- Improve SR 299 in Shasta and Trinity Counties
- Construct Hopland Bypass on US 101 in Mendocino County
- Construct Operational/Capacity Improvements on SR 99 Through Chico
- Construct SR 88 Improvements in Amador County at Pine Grove

61

GoCalifornia

Statewide Strategies - Regional Priorities



Future With *GoCalifornia*

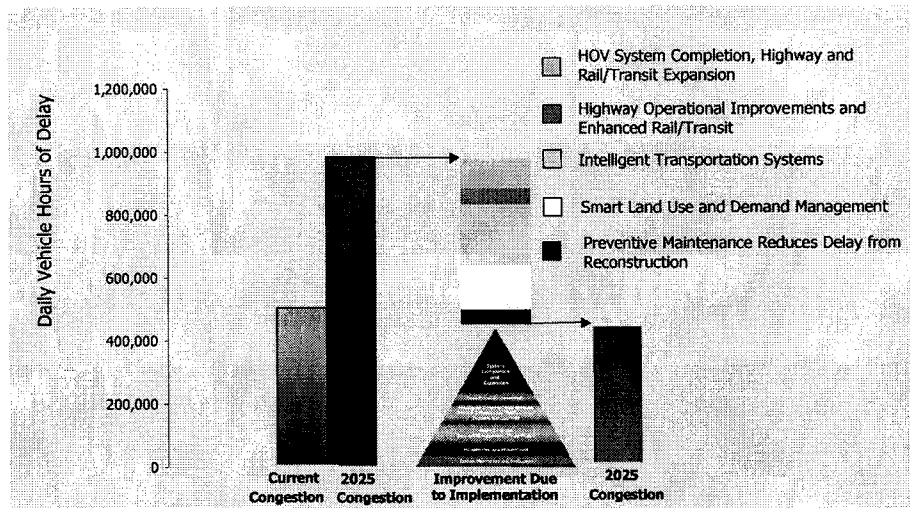


Current and Future Congestion Reduced
 Improved Travel Time and Reliability
 2025 - Eliminate or Reduce Future New Congestion

62

GoCalifornia

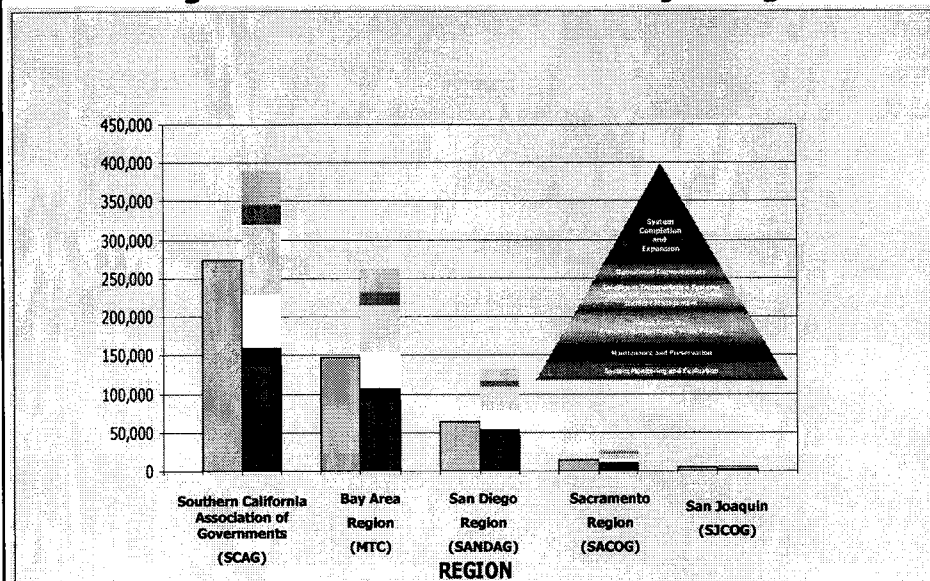
Comprehensive Strategies to Reduce Congestion



Conceptual Framework for Reducing Congestion that Needs to be Verified Through Experience

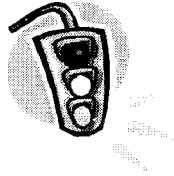
63

Outcomes of Comprehensive Strategies to Reduce Future Congestion in California's Five Major Regions



64

GoCalifornia



ACTIONS



65

Actions

GoCalifornia



➤ Reform and Improve Accountability

- Make Caltrans a "Mobility Company"
(\$50 Million/Year Savings from Efficiencies)
- Adopt Performance Standards
- Increase Return on Investment

66

Actions

GoCalifornia



➤ Accelerate Project Delivery

- Design-Sequencing
(Process Streamlining)
- Design-Build
(Innovation in Construction)
- Public-Private Partnerships
(HOT Lanes, Express Lanes, Goods Movement)

67

Actions

GoCalifornia



➤ Concurrent *GoCalifornia* Efforts

- Construction Industry Panel
- Research/Technology Expert Panel
- Regional Blueprint Planning Grants

68

Actions

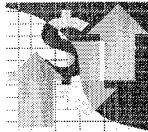
GoCalifornia



➤ Jumpstart Investments

- Gaming Compact Revenues (\$1 Billion)
- Proposition 42 Funding 05-06 (\$1.3 Billion)
- Proposition 42 Fix (\$1.3+ Billion 07-08)
- Proposition 42 Loans Repayment (\$2.5 Billion)
- Private Investment – Users Fees
- GARVEE Bonding on Federal Funds (\$2.4 Billion)
- Federal Funds (Goods Movement Corridors)

69



GoCalifornia

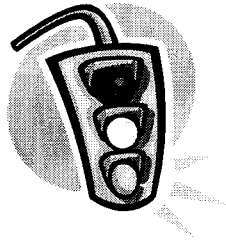
***An Enhanced and Expanded Economy Is
Dependent Upon a Safe, Efficient and
Reliable Transportation System***

Investments in Transportation

- Yield High Returns For All Californians
- Increase Safety and Reliability
- Provide More Viable Transportation Choices
- Improve and Strengthen the Economy
- Increase California's Comparative Advantage and Competitive Edge

70

GoCalifornia



Economic Impacts and Financial Incentives Matrix

Prioritized Options – as of December 1, 2005

The following concepts and proposals are provided as a "menu of options" suggested by stake holders and do not represent the policy of the Administration.

Points of Consensus

- Agreement that package of recommendations must include items from all four categories: planning, infrastructure, low income housing and resources.
- Framework – there is a need for one-time money as well as ongoing revenue sources for all categories: planning, infrastructure, housing subsidies for low income households and natural and agricultural resources. Ongoing resources are noted with an asterisk (*)
- Funds for planning should NOT be linked to performance. Other incentives/funding will be linked to performance.
- Improved local planning should be a goal that stands alone with or without comprehensive reform.
- Any fees implemented should be levied on residential AND non-residential.
- Proposition 42 funding should continue on an ongoing basis.

Funding for Planning	Concept/Proposal	Ranking (Please Rank from 1-5, with 5 being the highest value)			Total Ranking
		Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	
	<i>Establish a state-seeded or capitalized revolving fund to assist with local planning costs to be repaid from fees at time of development. Plans to be developed in accordance with State goals of directing growth for efficient use of land and protection of habitat and agricultural resources. (Votes 18)</i>	3.7	4	3.6	3.8

		Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	Total Ranking
Funding for Planning, Contd.	<i>Continue funding for integrated Regional Blueprint Planning Grants through Caltrans. (Votes 5)</i>	3.6	3.8	3	3.5
	Establish a fund to assist with local planning to be capitalized from a fee per building permit (CBIA-LCC proposal). Applied to residential and non-residential permits. (Votes 12)	3.2	3.8	2.3	3.1
	*Constitutional amendment to direct one-half of funds currently spent to repay state's deficit bond (will be paid off in 2011 and anticipated to be \$2 billion) to ongoing Quality Growth Investment Program, of which 5% can be used for planning with priority for updates and environmental documents related to local infill related specific plans. (Votes 4)	2.6	3	3.5	3.0
Funding for Transportation/ Infrastructure and Services					
	<i>Legislative authorization to create 100 housing/infill infrastructure investment districts. (Votes 17)</i>	3.7	3.3	3.2	3.4
	<i>Encourage infill/refill by allowing jurisdictions to capture additional tax base from all up-zoning (for a specified period of time) on existing housing-zoned property. (Votes 12)</i>	3.5	3.5	3.2	3.4
	<i>*If State wants local government to share the debt burden, support lower vote threshold of 55% for local infrastructure and housing trust funds. (Votes 14)</i>	2.7	3.8	3.8	3.4

		Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	Total Ranking
Funding for Transportation/Infrastructure Contd.	<i>Quality of Life infrastructure bond of \$20 billion dedicated approximately 50% for statewide and regional infrastructure, and 50% for infill-focused local infrastructure, environmental mitigation, improved planning and construction of affordable housing. (Votes 5)</i>	3	3.6	3.5	3.4
	<i>*Provide for increase or redistribution of tax increment, sales tax or real estate transfer tax, if regional planning is adopted and implemented. (Votes 2)</i>	3	3.8	3.5	3.4
	<i>*Capture capital gains generated by up-zoning by local governments for infill/refill and share additional revenue between the state and local governments. (Votes 1)</i>	3	3.4	3	3.1
	<i>*Continue funding for Proposition 42 (\$254 m annually for local governments). (Votes 12)</i>	3.5	2.3	2.6	2.8
	Dedicate G.O. bond proceeds for transportation and infrastructure (could be allocated according to housing (RHNA) production). (Votes 4)	3	2.8	2.3	2.7
	<i>*CSAC VLF concept – realign VLF rate from .65% to 1% and dedicate the difference to cities and county for housing/transportation/infrastructure by some accepted formula (Votes 1)</i>	2.6	2.6	2.8	2.7
	<i>*Flip 1/2 cent of local Bradley-Burns sales tax for a like amount of property tax revenue. (Votes 2)</i>	2.6	2.8	2.3	2.6
	Provide "by-right" development protections for all land currently zoned for housing to develop at 125% densities or more and capture and dedicate the additional tax base to local governments. (Votes 12)	2.8	2.3	2.3	2.5

		Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	Total Ranking
Funding for Transportation/Infrastructure Contd.	*Return remaining ERAF or allocation of other funds to reward increased housing production, especially affordable housing. (Votes 9)	2.8	2.8	2	2.5
	*Provide tax incentives for employers to remain in California if they move to either a location within their region with a housing surplus or another region in which a significant amount of their employees live. (Votes 3)	3.3	2.3	2	2.5
	*Increase share of property tax base from either all new housing after a certain year or from housing production above a certain threshold of production. (Votes 0)	3	2.3	2.3	2.5
	Establish one-time funds (source to be identified) to be allocated to jurisdictions in proportion to housing production (after meeting specified threshold of obligation). (Could require at least 50% dedicated to local streets and roads; could provide a higher proportion for affordable housing). (Votes 0)	2.5	2	2.3	2.3
Funding for Reliable Subsidy for Very Low/Low Income Housing					
	Dedicate General Obligation bond proceeds for affordable housing. (Votes 29)	3.8	4	3	3.6

		Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	Total Ranking
Funding for Reliable Subsidy for Very Low/Low Income Housing Contd.	*Establish a permanent funding stream from appropriate revenue sources/fees. (Votes 29)	3.2	4.2	3.4	3.6
	Change redevelopment housing set-aside requirement to provide higher housing set-aside for jurisdictions not meeting housing need and lower set-aside for those that have historically met this need. (Votes 2)	3.7	3	3	3.2
	*Establish a program to guarantee a state dollar-for-dollar match (through returned ERAF property tax dollars) for local dollars which are deposited into local affordable housing trust funds. (Votes 7)	2.8	2.5	2.5	2.6
	*Thirty percent (30%) of Quality Growth Investment Program revenues dedicated for affordable housing construction with funds allocated to housing trust funds established by cities and counties (or jpa's comprised of cities and counties) consistent with RHNA low and moderate income allocations.(Votes 4)	2.5	2.5	2.8	2.6
Natural and Agricultural Resource Protection Incentives/ Strategies					
	Channel existing mitigation fees derived from development projects pursuant to plans outlined in Qualified Programmatic Planning concepts (e.g. towards implementation of a conservation plan, habitat plan, specific plan) (Votes 0).	4.3	3.7	4	4.0

	Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	Total Ranking
Natural and Agricultural Resource Protection Incentives/ Strategies Contd.	3.5	4	3.6	3.7
*Authorize establishment of countywide or regional Environmental Enhancement Fund (for counties or regions preparing and adopting coordinated and integrated plans) capitalized by modest fees on projects now not required to prepare EIRs (so project sponsors would be saving both time and money by monetizing a portion of current expenditures for EIRs and litigation and dedicating it to actual environmental enhancement). (Votes 5)				
Environmental Enhancement Fund. (Votes 7)	3.7	3.7	3.7	3.7
"Regional blueprint" style plan done at county-wide scale. (Votes 4)	3.5	4	3.3	3.6
Enact CEQA improvement to incentivize and reward coordinated and integrated plans and to provide CEQA relief for projects consistent with such plans. (Votes 17)	3.7	3.7	2.8	3.4
General plan and zoning that affirmatively support agricultural activities by managing land use patterns to protect agriculture, rangelands and forest lands and support agriculture's role as a buffer by tempering conversation of agricultural lands to non-agricultural uses. (Votes 2)	3.8	4	2.8	3.5
Establish Natural Community Conservation Plans, Ecological Reserves, State Parks, and mitigation banks. (Votes 1)	3.8	47	2.8	3.5
Transferable Development Right Mechanisms (Vote 8)	3.5	3.5	3.3	3.4

	Feasibility	Value (Impact on Desired Outcome)	Amount of Funding	Total Ranking
Natural and Agricultural Resource Protection Incentives/Strategies Contd.	3.7	3.3	3	3.3
Graduated mitigation or impact fees. Mitigation or impact fees on development and/or subdivision should be required in all local jurisdictions that have a significant agriculture industry. Fees should be graduated, based on the quality of land developed and with the opportunity costs of using land inefficiently. All fees should be re-invested in local programs. (Votes 0)				
Maintain scenic working landscapes through compatible parcel aggregation. (Votes 0)	4	2	3	3
Technical Assistance				
Develop and maintain statewide infill/refill web-based inventory.	3.8	3.7	2	3.2
Provide resource maps for valuable habitat and productive farmland.	4.2	3.5	2	3.2
Develop "tool-box" and clearinghouse of best practices for increasing housing development, choices and affordability on efficient land use patterns.	4.2	3.5	2	3.2
Coordinate state agencies in responding to local jurisdictions and major projects regarding housing and land use issues.	3.8	3.5	2.3	3.2
Convene regional workshops with Cabinet Secretaries along with state agencies and departments.	4	2.7	1.3	2.7
Change Housing Element / Housing Opportunity Plan submission requirements from current 5 years to 10 years.	2.8	1.8	1.3	2.0

Financial Incentives for Infill Development -- Proposal

Objective:

Establish a package of financial resources/tools to support:

- Improved planning activities
- Mitigation including open space protection
- Development of new infrastructure (transportation and affordable housing needs)
- Enhanced local community services

Proposal:

The following financial resources/tools could serve as incentives to local governments for consistent planning and implementation.

- 1) **General Obligation (GO) bonds**—SB1024 (Perata) to jump-start efforts for enhanced planning and infrastructure needs.

Portions of SB 1024, however, may need to be amended and/or addressed through a companion bill —possibly SB 832—to better address local planning processes and more efficient development. Issues for further discussion/consideration are as follows:

- Although SB 1024 establishes several new programs related to supporting development in infill areas designated within a regional growth plan, allocation processes and institutional structures are not well defined.
 - What kind of institutional structure/coordination processes should be in place to most effectively direct funds toward promoting efficient development?
 - Should these programs be implemented on a voluntary basis using a statewide competitive grants structure?
 - Should funds be allocated by formula to regions (MPOs/COGs) and then competitively sub-allocated in accordance with state criteria for promoting efficient development and conformity with applicable regional growth plans?
- 2) **Pilot-program establishing 100 housing/infill infrastructure investment districts statewide**—the League of California Cities proposal. Creating a housing/infill district would be voluntary as follows:

- COGs would establish criteria for the location of districts within its region promoting infill development/more efficient development and protecting environmental resources.
- A local government would submit an application to the COG identifying the actual location of the district and how the location conforms to the criteria established by the COG.
- A district must produce at least 500 units and can be no larger than 100 acres—average net density of 25-40 units per acre over 70 percent of the district with 15 percent of the housing affordable to low and moderate income families.

The League proposes the use of tax-increment revenues to support housing or other infrastructure construction and maintenance that serves the new housing development within the district. Only the schools' share of the property tax would be allocated to the local government within which the district is located. The state General Fund would backfill the loss to schools. The state would have to grant authority to use tax-increment financing within these districts.

Under current law (Government Code § 53395, *et seq.*), cities and counties can create Infrastructure Financing Districts (IFDs) to pay for public works outside redevelopment project areas through property tax increment financing. IFD law provides that each of the other taxing agencies must grant its approval before any of its portion of the increment can be collected by the IFD. The schools' share of property tax increment revenues (53 percent), however, cannot go to IFDs. Further, IFDs cannot pay for operation and maintenance—*see IFD table for further details*.

Some issues when evaluating potential use of tax increment mechanisms:

- Revenues that would have gone to other taxing entities—including school districts under redevelopment law
- Political consideration/issues associated with tax increment financing/redevelopment

3) **The Integrated Financing District Act (IFDA)** (Government Code § 53175, *et seq.*) An alternative method of financing public facilities could potentially be used in conjunction with the approach proposed by the League. The IFDA takes two approaches for assessments:

- Contingent Assessment—levy assessment *contingent* upon *future* land development and payable at the time of tentative map approval, appraisal, final subdivision, building permit or zone change.
- Non-contingent Assessment—levy assessment or special tax, pursuant to one of several traditional financing Acts (§ 53187 (b)).

In order to use the IFDA for infill development, however, specific amendments are needed as follows:

- Currently, “contingent assessments” may be used to fund capital facilities and related incidental expenses including planning, designing, constructing, servicing debt, and entering into/making payments pursuant to a reimbursement agreement.

Amendments should address the use of contingent assessments to fund environmental mitigation as well as operations and maintenance.

- Under current law, a local agency cannot proceed for 1 year if more than 50 percent of the property owners protest.

The timeframe for reconsideration of assessment should be shortened to less than one year.

- Further, amendments may be needed to reconcile provisions of the IFDA with Proposition 218—characterization of levies imposed under the IFDA.

Consideration should be given as to whether amendment language can be drafted to avoid Proposition 218 issues. Perhaps a constitutional amendment can be crafted to relax provisions of Proposition 218 for local communities opting to use IFDAs for infill development in conformance with regional plans. *See IFDA table.*

- 4) **Leverage Private Capital**—Government Code § 5956, *et seq.* provides local government agencies with the authority to use private investment capital to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, fee producing infrastructure facilities.

Types of projects are specified in § 5956.4 (*also, see Infrastructure Financing Table*). A competitive negotiation process is authorized (§ 5956.5). Additionally, general agreement terms are delineated (§ 5956.6).

Amendment recommendations are as follows:

- Types of projects and related sections to identify environmental mitigation for infill development.
- Strike § 5956.10 which prohibits the use of this authority to finance state projects including toll roads on state highways, state water projects, state park and recreation projects, and state financed projects.
- Strike 35 year limitation on lease and/or ownership of facility by the private entity. Suggested language is as follows: “The agreement may provide for the lease of those facilities to the private entity for an operating term not to exceed 35 years beyond the useful life of the asset.”

INFRASTRUCTURE FINANCING
Government Code § 5956, et seq.

Legal Authority:	Government Code § 5956, et seq.
Legislative Findings:	Local agencies have experienced significant decrease in available tax revenue to fund infrastructure. One source of money is private sector investment capital to study, plan, design, construct, etc. infrastructure facilities.
Purpose:	To provide local governmental agencies with the authority and flexibility to utilize private investment capital to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, fee-producing infrastructure facilities.
Applies to:	All local governmental agencies including: cities, counties, JPAs; transportation commissions.
Type of Projects:	<p>A governmental agency may solicit proposals and enter into agreements with private entities for the design, construction, or reconstruction by, and may lease to, private entities for the following types of “fee-producing infrastructure projects”:</p> <ul style="list-style-type: none">• Irrigation• Drainage• Energy or power production• Water supply, treatment, and distribution• Flood control• Inland waterways• Harbors• Municipal improvements

	<ul style="list-style-type: none">• Commuter and light rail• Highways or bridges• Tunnels• Airports and runways• Purification of water• Sewage treatment, disposal, and water recycling• Refuse disposal• Structures or buildings, except structures or buildings that are to be utilized primarily for sporting or entertainment events <p>“Fee-Producing Infrastructure Project” means the operation of the infrastructure project or facility will be paid for the persons or entities benefited by or utilized the project or facilities.</p> <p>The authority of this chapter may <i>not</i> be used to finance state projects including: toll roads on state highways, state water projects, state park and recreation projects, and state financed projects. Private financing may be either the exclusive revenue source or a supplemental revenue source with federal or local funds. (§§ 5956. 3 and 5956.4) [need to amend]</p>
Procedures:	<ol style="list-style-type: none">1. A competitive negotiation process. (§ 5956.5)<ul style="list-style-type: none">• Projects may be proposed and selected individually or as part of a related or larger project• Facility must be operated at fair and reasonable prices• Competitive bidding2. Infrastructure constructed pursuant to this chapter shall be owned by governmental agency unless it elects to provide for ownership by the private entity during the term of the agreement. (Up to 35 years.) [too short to recoup investment]3. Agreement must ensure:<ul style="list-style-type: none">• Compliance with CEQA

	<ul style="list-style-type: none">• Security for construction• Adequate financial resources of private entity• Authority for governmental agency to impose user fees• Public hearings before the imposition or increase of any user fee• Private entity will maintain facility• Private entity will prepare an annual audited report• Provision for buyout by governmental agency
--	---

Amendments Needed For Infill Housing

Consider:

- Amending types of projects and related sections to identify environmental mitigation for infill development
- Amending Government Code § 5956.10 to delete prohibition on applying chapter to state projects
- Amending 35-year limitation to 99-years or as appropriate to allow private sector to recoup investment

INFRASTRUCTURE FINANCING DISTRICTS
Government Code § 53395, et seq.

Legal Authority:	Government Code § 53395, et seq.
Purpose:	Finance public works and services through property tax increment financing
Legislative Intent:	District Areas should be areas that are substantially underdeveloped and will not ordinarily result in removal of existing dwelling units. If need to remove or demolish units for public or private purpose, must replace affordable housing and provide relocation assistance and payments (§ 53395.5).
Applies to:	Finance public capital facilities of communitywide significance, including highways, ramps, bridges, sewage treatment, water collections, childcare, libraries and solid waste facilities (§ 53395.3).
Type of Projects:	<ul style="list-style-type: none">• to finance, purchase, construction, expansion, improvement, retrofit or rehab of real or tangible property with useful life of > 15 years• related planning and clean-up work• only finance purchase of already constructed facilities• must provide substantial benefits to larger area (highways, flood control, etc.)• facilities need not to be located within the District• no O & M or redevelopment project area projects• Districts = “substantially undeveloped” = “green areas only” = not Redevelopment Areas

Procedures:	<ol style="list-style-type: none">1. Resolution of Intention to Establish District (§ 53395.11)<ul style="list-style-type: none">• type• boundaries• incremental property tax revenue• public hearing2. Prepare Infrastructure Financing Plan (§ 53395.14 – 53395.16)<ul style="list-style-type: none">• money• increment• tax revenue• estimated tax revenue• service clause• analysis3. Hold Public Hearing (§ 53395.12)4. Formation of District Elections (§ 53395.20)<ul style="list-style-type: none">• tax increment bonds (§53397.1 – 53397.9)• two-third vote needed for issuance (§ 53397.6)• adopt resolution per majority vote• if defeated by votes, cannot resubmit for at least one (1) year
--------------------	--

Amendments Needed For Infill Housing

Consider:

- expanding type of facilities to be financed to include environmental mitigation, etc.
- political viability of eminent domain provisions
- whether draft legislation will avoid Proposition 218 requirements

INTEGRATED FINANCING DISTRICT ACT
Government Code § 53175, et seq.

Legal Authority:	Government Code § 53175, et seq.
Purpose:	Alternative method of financing public facilities – does not exclude any other financing method – may be used in conjunction with other approaches
Applies to:	All local agencies including: Cities, counties, special districts, JPA created pursuant to the Act
Basic Approach:	<p>A. For new development:</p> <ul style="list-style-type: none">• levy assessment contingent on development of land – payable at time of tentative map approval, appraisal, final subdivision, building permit or zone change (“contingent assessment”)• in proportion to benefit received – payable over time = fixed dollar amount due• definitions and procedures in Streets and Highways Code § 3100, et seq., apply (§ 53178.5) <p>B. For existing development:</p> <ul style="list-style-type: none">• levy non-contingent – assessment or special tax, pursuant to one of several traditional financing Acts (“non contingent assessment” – § 53187(b))
Type of Projects:	<p>Proceeds of contingent assessment may be used to fund capital facilities and related incidental expenses including:</p> <ul style="list-style-type: none">• planning• designing• constructing• debt service• to enter into and make payments pursuant to a reimbursement agreement

Procedures:	<ol style="list-style-type: none"> 1. Resolution of Intention – to create an integrated financing district (§ 53187) <ul style="list-style-type: none"> • establish and create boundaries • describe rates and methods of apportionment over time of any levy • identify proposed uses of funds including facilities to be constructed and cost • identify contingent assessment – a fixed dollar amount per unit of area for parcels developed into each of several card use categories • describe proposed reimbursement agreements 2. Notice of Hearing 3. Protest Procedure 4. Local agency cannot proceed for 1 year if > 50% of property owners protest
--------------------	--

Amendments Needed To Address Infill Projects

Consider:

- expand use of contingent assessments to include environmental mitigation and operations and maintenance (*i.e.* not limited to capital facilities)
- shortening timeframe for reconsideration to less than one (1) year
- draft amendments to avoid Proposition 218 issues or examine initiative process to remove voter provision for infill projects
- application limited to Qualified Programmatic Planning Concept

MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982
Government Code § 53311, et seq.

Legal Authority:	Government Code § 53311, <i>et seq.</i>
Purpose:	Finance capital projects and other infrastructure for new development – may also be used to finance public services, including maintenance and operation
Legislative Intent:	To authorize the imposition and collection of special taxes within community facility districts created pursuant to the Act. To assist in providing the level of public services and maintenance desired by new development or an existing community.
Applies to:	Community facility districts (“Mello-Roos districts”) created pursuant to the Act – may include a specific area within or jurisdiction or may encompass an entire city or special district.
Type of Projects:	<p>Public services enumerated in Act including:</p> <ul style="list-style-type: none">• Police protection services, including certain criminal justice services• Fire protection and suppression services• Ambulance and paramedic services• Park, parkway, and open space maintenance• Flood protection services• Storm drainage systems operation and maintenance• Services related to removal or remediation of hazardous materials (§53313) <p>The Act may also be used to finance recreation program services, the maintenance costs of elementary and secondary school sites and structures, and the O&M of museums and cultural facilities (§53313(c))</p>

Procedures:	<ol style="list-style-type: none">1. Initiation of Proceedings<ul style="list-style-type: none">• Consider and adopt local goals and policies that prioritize facilities, establish credit quality of bond issues, provide steps to inform potential purchasers, etc. (§ 53312.2)2. Resolution of Intention to Establish District (§ 53321)<ul style="list-style-type: none">• Describe boundaries• Describe public facilities and services proposed to be financed• Specify rate, method of apportionment, and manner of collection of the special tax• Calculate dollar amount of special taxes to pay for public facilities and to be levied against any parcel used for private residential purposes3. Notice of Hearing (§ 53322)4. Protest Procedures (§ 53323)5. Local Agency cannot proceed for 1 year if >50% of registered voters residing within territory proposed to be included in district protest (§ 53224)6. Elections on special tax (§ 53326)<ul style="list-style-type: none">• Affirmative vote of two-thirds of those voting• May be a landowner election or a registered voter election, depending on whether there are 12 or more registered voters within the proposed Mello-Roos district (§53326(b))
--------------------	---

Amendments Needed For Infill Housing

Consider:

- Shortening time from for reconsideration to less than one (1) year
- Specifically identify environmental mitigation and other infill housing needs

Qualified Programmatic Planning Concept Summary

For discussion by Planning Task Force 11.22.05

Qualified Programmatic Planning represents an effort to front-load CEQA review at the planning level. Incentives will be provided to local jurisdictions that voluntarily undertake Qualified Programmatic Planning that meets objectives designed to achieve the State's goals to provide housing and infrastructure while preserving environmental resources and important agricultural areas. Projects consistent with the plan can use a short-form EIR.

A local jurisdiction (or a consortium of jurisdictions acting pursuant to a JPA) can prepare a Qualified Programmatic Plan (QPP). A QPP is an existing type of planning document (e.g., a general plan, community plan, specific plan, redevelopment plan, or local coastal plan) that meets certain additional procedural and substantive criteria specified in the governing statute.

In order to qualify as a QPP, the QPP agency must meet certain procedural requirements including consultation with all relevant regional agencies (such as RWQCBs, AQMDs, and COGs), undertaking a robust public process, and preparation of an EIR. As part of the public process, the QPP agency must provide access to all relevant information, including land use, conservation, and related documents, implement an outreach program in order to provide information to the community and gain diverse stakeholder input, publish a notice of the proposed plan in the newspaper, and allow for a 60-day public review period for the draft QPP and the QPP EIR.

The QPP must also meet certain substantive requirements. The QPP agency must make written findings that the QPP takes into account and meets certain objectives (such as the efficient utilization of infill capacity, the protection of priority habitat and agricultural lands, the efficient and orderly development of lands that aims for a jobs-housing balance). The QPP must also take into account regional concerns of housing needs, traffic, land conservation, water supply, air quality, and the like. In addition, the QPP and related EIR must meet certain standards that can be objectively measured, including provision of an appropriate land supply for housing, efficient land use in general, and conservation of farmland and habitat lands.

A QPP would be subject to major amendment (e.g., converting land designated for ex-urban uses to urban use designations) only periodically and upon further repetition of the more robust public and agency participation processes.

Once a local jurisdiction has adopted the QPP, a lead agency may prepare a short-form EIR for any project that is consistent with the QPP's land use designation, standards of population and building density. The short-form EIR will address project-specific environmental impacts. Furthermore, the lead agency must incorporate mitigation measures identified in the QPP's EIR. In return, the project's cumulative and growth-inducing impacts, as well as off-site project alternatives, and possibly some other specified regional impacts, will not need to be analyzed in the short form EIR.



December 12, 2005

Mike Chrisman
Secretary, Resources Agency
1416 Ninth Street
Suite 1311
Sacramento CA 95814

Sunne Wright McPeak
Secretary, Business Transportation & Housing Agency
980 Ninth Street
Suite 2450
Sacramento CA 95814

Dear Secretaries Chrisman and McPeak:

The undersigned have been participating in meetings of the Resources/BTH Advisory Group. We believe that the issues discussed in these meetings are of critical importance to the future of the state. We appreciate the willingness of the Administration to explore these issues in an open way, involving a broad range of interested groups.

Our participation in the Resources/BTH Advisory Group discussions has stimulated us to develop a set of ideas that are explained in the attached document. We believe these ideas could help all interested parties, and the relevant state agencies, focus on how best to achieve the kind of land use patterns that will make the most sense for the future of California, not only in terms of environmental protection, but in terms of supporting a sound economy, and achieving our state's social equity goals.

It seemed important to us to step back from the debate about planning process (and CEQA), and to examine three essential issues:

- What process should the state use to guide growth to areas best suited for it?
- How should we protect habitat and farmland?
- What fiscal policies are necessary to accomplish these goals?

We believe that if a consensus can be found around the answers to these basic questions, it could lead to a more fruitful discussion about planning processes and the role of CEQA. We offer the attached document as a set of ideas and as a starting point for discussion.

Thank you for your consideration. We hope the attached "Ideas for a California Growth Policy" will be helpful in focusing discussion, and moving towards adoption and implementation of a state growth policy that can have broadly beneficial effects.

Sincerely yours,

Tom Adams
CLCV

Ann Notthoff
NRDC

Dan Silver
Endangered Habitats League

Edward Thompson Jr.
American Farmland Trust

Gary A. Patton
PCL

Tom Steinbach
Greenbelt Alliance

cc: Secretary Alan Loyd
Director Sean Walsh
Secretary Kim Belshe
Secretary Fred T. Aguiar
Karen Scarborough

Secretary A. G. Kawamura
Secretary Alan D. Bersin
Secretary Victoria Bradshaw
Drew Bohan
Sandra Ikuta

Ideas for a California Growth Policy

- **Set a target to guide appropriate growth and reward decisions to meet the target.** The state should set reduction of vehicle miles traveled per household (VMT/H) as a target and leave the regions and local governments the flexibility to find ways to achieve that target.

Reduction in VMT/H serves as a reasonable proxy for smart growth. Achieving reductions in VMT/H will tend to result in housing located closer to transit or other transportation, closer to employment centers and closer to commercial centers.

Reducing VMT/H will serve a constellation of significant values:

- Cleaner air.
 - Reduced global warming emissions.
 - Reduced oil consumption.
 - Greater public investment in existing urbanized areas.
 - More affordable housing.
 - Reduced commute burdens.
- Within the 4 metropolitan areas. The state should require each of the 4 metropolitan areas to adopt regional growth plans that:
 - provide housing sites for all economic segments of the expected population growth of the areas, and
 - meet a numerical trajectory for achieving a specified reduction of VMT/H within the metropolitan area within a specified time frame.

Existing regional entities would utilize existing processes to develop regional growth plans.

Local governments that approve development consistent with the regional growth plans would be rewarded with new unrestricted funds. Development approvals inconsistent with regional growth plans would pay a substantial mitigation fee. Fiscal rewards would be dependent on the region achieving its VMT/H trajectory according to periodic measurements.

- Outside the 4 metropolitan areas. Cities outside the 4 metropolitan areas that increased their density would also be rewarded with additional unrestricted funds. Development that did not increase density within a city would pay a substantial mitigation fee.

- Both inside and outside the 4 metropolitan areas. Development that is not infill/refill should be consistent with the following criteria:
 - uses land efficiently.
 - is built adjacent to existing developed areas to the extent consistent with protecting environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.
 - is in an area appropriately planned for growth.
 - is served by adequate transportation and other essential utilities.
- **Provide greater certainty for agricultural and habitat lands.** The 4 metropolitan areas and all counties outside the four metropolitan areas should, jointly with the Resources Agency, identify habitat lands through a GIS layering analysis of, for example, vegetation, protected species habitat, floodplains, wetlands, riparian corridors, and vernal ponds that is sufficient to identify biological core areas and linkages.
 - Within the 4 metropolitan areas. Development of significant farmland or biological core areas and linkages should either be mitigated by permanent protection of a graduated amount of farmland or habitat depending on the efficiency of land use or by an NCCP.
 - Outside the 4 metropolitan areas.
 - Habitat for protected species. Subdivision of land that serves as habitat for protected species would be allowed only if provided for in an approved NCCP or if consistent with the California endangered species act.
 - Other significant habitat.
 - Provide financial incentives for landowners to manage and protect biological core areas and linkages.
 - Prohibit subdivision of biological core areas and linkages unless the subdivision can be demonstrated to provide greater protection for the habitat values.

- Require graduated mitigation based on efficiency of land use.
 - Prohibit general plan changes to allow development of biological core areas and linkages except at 10-year intervals.
 - Restrict new subdivisions of more than 1 acre to no more than 1% of a jurisdiction's new lots. Allow TDCs to concentrate development.
- Important Farmland. Each county should identify its most important farmland (including at least 90 percent of all land classified as prime or unique farmland, or farmland of statewide importance) and zone it to permit agricultural uses (including processing, packing, worker housing and other ancillary uses) and residential uses only to the extent they will not interfere with agricultural production (with a maximum of 1 unit per 40 acres, unless a lower density can be factually justified). Development of any farmland, regardless of where it is located, should be subject to a mitigation or impact fee that increases with the agricultural productivity of the land developed and decreases with the number of dwellings or commercial FAR per acre.

Fiscal realities. Sources of new money are needed to:

- provide incentives for cities to achieve VMT/H targets or density increases.
- provide counties with fiscal incentives to manage farmland and habitat.
- fund landowner incentives to protect farmland and habitat.
- provide permanent funding for acquisition of urban parks.
- provide permanent funding for affordable housing.

**BTH-Resources Advisory Group
Housing, Land Use, CEQA
Housing Projections Subcommittee
Status of Proposals 12-8-05**

Context Assumption:

- RHNA projections would be needed for a projection period of at least 20 years, including a 10-year housing element planning period, with five-year review.
- Could necessitate amendment updating significant portions of the general plan.
- The general plan should describe the relationship of its projected land supply to the regional transportation plan (RTP) and planned changes to bring them into the alignment during the planning period.

RHNA objectives:

Central concept: Each region has an obligation to plan for enough housing for at least the next 20 years to accommodate the needs of its existing population and employment and housing needed to accommodate the projected population and employment change for the region. The COG allocation shall promote housing near employment.

1. Increasing housing supply and mix of housing types, tenure and affordability
2. Promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouraging efficient land use patterns
3. Promoting improved intraregional employment housing relationship
4. Balancing disproportionate household income distributions
5. Improve integration of housing and transportation planning

Process

- COG's would originate regional and any sub-regional determination, submit to HCD
- HCD would refer COG proposed regional determination to an Advisory Panel of experts before accepting or rejecting COG determination
- COG/sub-region if applicable, allocate regional determination to cities and counties, considering factors, etc.
- COG issues allocations, followed by a "transfer allowance period," replacing existing appeals period
- COG submits final RHNA to HCD